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HOUSING ELEMENT

Walnut Creek General Plan

MARCH 1994





Walnut Creek

City Of Creek

TO: INTERESTED AGENCIES, ORGANIZATIONS & INDIVIDUALS

SUBJECT: Recirculation of an Environmental Impact Report
City of Walnut Creek
Revised Housing Element
General Plan Amendment 10-93
State Clearinghouse No. 92093030

DATE: April 1, 1994

PROJECT DESCRIPTION: Revised Housing Element. This project is a revision of the 1989 Housing Element, Chapter 3 of the Walnut Creek General Plan. The Housing Element goals, policies, programs and background sections have been revised for consistency with the Growth Limitation Plan adopted July 27, 1993. The Housing Element is updated with 1990 census data, is modified to comply with recent legislative changes, and addresses the concerns raised by the State Dept. of Housing and Community Development in its review of the 1989 Housing Element.

Notice is hereby given that pursuant to Section 15153 of the California Environmental Quality Act, the City of Walnut Creek is recirculating the Environmental Impact Report (EIR) prepared for the Growth Limitation Plan to assess the potential environmental impacts of the revised Housing Element. Although the EIR was prepared for another project, it addresses the potential environmental impacts of the Housing Element. The EIR was certified by the City Council on July 27, 1993.

The key issues involving the EIR are whether the EIR should be used for this project and whether there are any additional, reasonable alternatives or mitigation measures that should be considered as ways of avoiding or reducing the significant effects of the project.

An Initial Study was prepared for the draft Housing Element. Based on information described in the EIR, most of the environmental impacts can be mitigated to less than a significant level with the exception of traffic, noise, and availability of water (based on future East Bay Municipal Utility District's policies).

A copy of the Initial Study and draft Housing Element are attached. The EIR that is being recirculated was mailed on January 14, 1993. Another copy of the Environmental Impact Report is available upon request.

Written comments should be limited to the draft Housing Element. Previously submitted comments on the EIR will be considered prior to the adoption of the Housing Element; therefore, it is not necessary to repeat those comments.

Written comments should be submitted by 5:00 p.m. MONDAY, MAY 23, 1994 to:

Margaret Kimmerer
Community Development Department
City of Walnut Creek
P.O. Box 8039
1666 North Main Street
Walnut Creek, CA 94596

Copies of the draft Housing Element, Initial Study and EIR are available for review at:

Contra Costa County Library, 2661 Oak Grove Rd., Walnut Creek
Contra Costa County Library, 1644 No. Broadway, Walnut Creek
City of Walnut Creek, Community Development Department, 1666 North Main Street, Walnut Creek

Additional information on the Housing Element, Initial Study or Environmental Impact Report is available from Margaret Kimmerer at (510) 943-5834.

TOWN OF WALNUT CREEK

GOALS, POLICIES, PROGRAMS AND QUANTITATIVE OBJECTIVES

COMMUNITY AND ENVIRONMENT

A. POPULATION AND EMPLOYMENT GROWTH AND DENSITY
B. HOUSING

C. Population Characteristics

- A. Population Trends
- B. Housing and Population Characteristics
- C. Population Projections

D. Employment Trends

- A. Existing Employment

HOUSING ELEMENT

Walnut Creek General Plan

MARCH 1994

PREPARED BY THE
COMMUNITY DEVELOPMENT DEPARTMENT





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HOUSING ELEMENT

GOALS, QUANTIFIED OBJECTIVES, POLICIES [65583(b)] AND HOUSING PROGRAMS [65583(c)]

Government Code Section 65583(b) requires that the Housing Element include a statement of Walnut Creek's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement and development of housing. The quantified objectives should establish the maximum number of housing units that can be constructed, rehabilitated, and conserved over the five-year planning period.

State law recognizes that the local housing needs identified may exceed available resources and the City's ability to satisfy this need within the General Plan. Under these circumstances, the quantified objectives need not be identical to the identified existing housing needs, but should establish the maximum number of housing units that can be constructed, rehabilitated, and conserved over a five-year time frame.

Government Code Section 65583(c) requires that the Housing Element include a program which sets forth a five-year schedule of actions to implement the housing goals, objectives and policies through the administration of land use and development controls, provision of regulatory concessions and incentives, the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a low and moderate income housing fund of an agency which has established a redevelopment project area pursuant to community redevelopment law. In order to make adequate provision for the housing needs of all economic segments of the community, the program must do all of the following:

- A. Identify the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals.
- B. Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to meet the needs of all income levels; including rental housing, factory-built housing, mobile homes, emergency shelters and transitional housing.
- C. Assist in the development of adequate housing to meet the needs of low- and moderate-income households.
- D. Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.
- E. Conserve and improve the condition of the existing affordable housing stock.
- F. Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color.

HOUSING ELEMENT - POLICIES

Walnut Creek contains a variety of housing. Approximately one-half of the existing housing stock is single-family, detached and single-family, attached homes; on individual lots; the remainder is multiple-family units, including townhouses, patio homes, and apartments. Housing for specialized groups, such as seniors, people with disabilities, the disabled and low and moderate income families is also available. In the last several years there has been an increased market demand for executive homes (larger single family houses on larger sized lots).

While varied, the existing housing stock does not satisfy all the residential needs of the community. Providing adequate housing for a variety of income groups has become increasingly difficult. The City's ability to encourage low and moderate income housing is becoming more limited given the continued reduction of state and federal subsidy money. In mature communities such as Walnut Creek, an added difficulty is lack of available land and high land costs. Nevertheless, every community is obligated has a commitment to make a good faith effort toward meeting its regional fair share of affordable housing.

The goals and policies in this housing element are directed toward the preservation, improvement, and development of housing. Included are policies and programs for:

- new housing development
- the availability of residential land
- housing affordability
- special housing needs
- fair housing opportunities
- energy conservation in new housing developments
- meeting regional housing needs
- protecting and conserving the existing housing stock

GOAL 1: To ensure the availability of housing types for all economic segments of the community consistent with the infrastructure and service capacities of the City and consistent with the need to preserve and protect hillside vistas, open space resources and natural features. (*Meas. P, Ord. 1781, 11/5/91*)

New Housing Development

Policy 1:

Encourage a mix of land uses and residential densities in the downtown Core Area to increase the supply of housing.

Program 11:

Maintain existing general plan designations for high density residential housing in the Core Area.

Responsibility: City Council

Program 1.2:

Continue to use the specific plan process in the Core Area as a means of accomplishing planned residential development. The specific plans should designate sites where a certain percentage of new units will be affordable to low and moderate income households.

Responsibility: Community Development Department

Program 1.3:

Study possible incentives and develop guidelines for residential use of floor space above ground floor commercial establishments.

Responsibility: Community Development Department

Policy 2:

Continue to encourage housing in the Golden Triangle, specifically in the area bounded by Highway 680, Parkside Drive, Main Street, California Boulevard and Riviera Avenue.

Program 2.1:

Review the existing zoning provisions to determine if changes are necessary to encourage or mandate that housing, or an in-lieu fee for housing, be included in any future development in this area.

Responsibility: Community Development Department

Program 2.2:

Continue to require office buildings constructed in the Golden Triangle to provide a housing component, either on or off site, consistent with the Golden Triangle Housing Policy.

Responsibility: Community Development Department

Policy 3:

Locate higher density residential development in the Core Area, especially near public transit, major thoroughfares, shopping and employment centers.

Program 3.1:

Rezone commercial property on LaCassie and Ygnacio Valley Road from Office to Multiple Family Residential consistent with Figure 2-2.

Responsibility: Community Development Department

Policy 4:

Allow the designation of the new residential land use category, Single Family High, 6 to 9 dwelling units per acre, in certain areas to increase the supply of housing, consistent with the character and integrity of existing neighborhoods.

Policy 5:

Preserve and protect the natural topography by limiting residential development on hillsides with average slopes of 15% or greater.

Policy 3- 6:

Allow mobile homes and factory built housing on appropriately located sites.

Policy 4- 7:

Allow second family units in appropriate locations.

Policy 5- 8:

Encourage innovative housing approaches in the design of units to increase the availability of affordable housing.

Program 3.2:

Rezone areas designated for residential use in the area south of Mt. Diablo Boulevard and on the Kaiser parking lot site as shown in Figure 2-2.

Responsibility: Community Development Department

Program 4.1:

Through the planned development process, allow residential projects on smaller lots which include affordable units as a component of the project.

Responsibility: City Council and Community Development Department

Program 5.1:

Continue to enforce Ord. No. 1776, Hillside Performance Standards, and Ord. No. 1791, the Walnut Creek Hillside/Open Space Protection Initiative.

Responsibility: Community Development Department

Program 3.1- 6.1:

Continue to implement City adopted regulations which allow mobile homes and manufactured housing in single family districts.

Responsibility: Community Development Department

Program 4.1- 7.1:

Continue to implement the City's Second Family Unit Ordinance.

Responsibility: Community Development Department

Program 5.1- 8.1:

Encourage the use of the planned development process to allow innovative approaches aimed at increasing affordable housing. Study the possibility of revising the City's Municipal Code to allow construction of zero lot line and single family attached housing on smaller lots.

Responsibility: City Council and Community Development Department

Policy 6: 9:

Consider the reuse of institutional sites, such as schools, hospitals, and post offices, for residential purposes consistent with other community needs.

Availability of Land

Policy 7: 10:

Provide an adequate supply of residentially zoned land at sufficient densities to accommodate existing and future housing needs, so long as such development does not jeopardize hillside vistas, open space resources or natural features.

(Meas. P. Ord. 1781, 11/5/91)

Program 6.1- 9.1:

The City will Initiate a study to identify appropriate secondary uses for all institutional sites in the City, when they become available.

Responsibility: Community Development Department

Program 7.1- 10.1:

Consistent with the Growth Limitation Plan, Management System; conduct periodic inventories of vacant land, underutilized land and inappropriately zoned sites to determine their suitability for more intense residential use.

Responsibility: Community Development Department

Program 7.2- 10.2:

Identify Community Development Block Grant (CDBG) and other sources of funding to assist with the purchase of land for affordable low and moderate income housing.

Responsibility: City Manager's Office
Community Development Department

Program 10.3:

Develop a list of sites potentially suitable for affordable housing.

Responsibility: Community Development Department

Policy 8: 11:

Encourage the annexation of vacant land which is appropriate for residential uses.

Program 8.1- 11.1:

Prezone areas in the City's Sphere of Influence with consideration for densities which encourage annexation.

Responsibility: Community Development Department

Policy 9-12:

Give priority to residential land uses over other land uses if development potential is constrained by inadequate sewer and water facilities.

Program 9-12.1:

Through the Growth Limitation Plan, Management System, monitor the capacity of sewer and water systems. Should a constraint develop, give priority to residential land uses over non-residential land uses, regardless of the demand generated by these uses.

Responsibility: Community Development Department

Affordability

Policy 10-13:

Give high priority to housing that is affordable to Walnut Creek workers, first time buyers and renters of all income levels.

Program 13.1:

Set aside a portion of the City's CDBG annual allocation for housing programs, consistent with the Comprehensive Housing Affordable Strategy requirements.

Responsibility: City Council and Community Development Department

Program 10-6: 13.2:

Develop a program to Allocate the 20% tax-increment redevelopment funds collected for low and moderate income housing for the City's approved housing programs.

Responsibility: Redevelopment Agency and Community Development Department

Program 13.3:

Continue to allocate revenues generated from the early redemption of Mortgage Revenue Bonds 1984 Issue for affordable housing programs.

Responsibility: City Council and Community Development Department

Program 10.1-13.4:

Investigate concepts and funding sources for homeownership assistance for first time home buyers. Continue to seek federal, state and local funding sources to assist low income, first time, homebuyers (mortgage assistance payments, down payment assistance, or equity sharing).

Responsibility: Community Development Department/City Manager's Office

Program 10.2-13.5:

Continue to participate in programs for first time homebuyers such as the Single Family Home Mortgage Finance Program. bond programs for qualified moderate and middle income home buyers and low income renters.

Responsibility: Community Development Department/City Council Manager's Office

Program 13.6:

Encourage sweat equity programs for the construction of homes for first time homebuyers.

Responsibility: Community Development Department/City Council

Program 10.3-13.7:

Continue to Investigate participation in the Mortgage Credit Certificate Program, or other similar programs.

Responsibility: Community Development Department

Program 10.4-13.8:

Provide information to local developers and sponsors of available state and federal financing programs for rental apartment and single-family housing construction.

Responsibility: Community Development Department

Program 10.5- 13.9:

Coordinate with the Contra Costa County Housing Authority to ensure full use of the Section 8 Rental Assistance Payments Program in Walnut Creek.

Responsibility: Community Development Department

Program 13.10:

Allow density bonuses consistent with State law and the City's Growth Limitation Plan. Density bonus units shall be restricted to low or very low income persons, including seniors. All density bonus units shall remain affordable for as long as legally possible, preferably 30 years.

Responsibility: Community Development Department

Program 10.7 13.11:

Adopt a Density Bonus Unit Ordinance including requirements residential developers must meet to qualify for a density bonus, consistent with State law. Amend the Zoning Ordinance to include specific guidelines regarding density bonuses allowed for the provision of senior citizen, handicapped, or low and moderate income housing.

Responsibility: Community Development Department and City Council

Program 10.8- 13.12:

Continue to give development review priority to affordable low and moderate income housing projects.

Responsibility: Community Development Department

Program 13.13:

Streamline and expedite the development review process for affordable housing projects by appointing a subcommittee (one representative from the Design Review Commission and one representative from the Planning Commission) to review and provide input at the time of an initial application.

Responsibility: Community Development Department

Program 10.9- 13.14:

Provide assistance with the payment of City fees for the construction of housing affordable to people with very low and low incomes, when appropriate. Within the financial capability of the City, subsidize development fees for construction of low and moderate income housing units.

Responsibility: Community Development Department and City Council

Program 13.15:

Pursue federal, state and other available funds for affordable housing.

Responsibility: Community Development Department and City Council

Program 10.10- 13.16:

Encourage State and Federal legislators to provide appropriate resources to serve low and moderate income needs.

Responsibility: City Council

Program 13.17:

Encourage the inclusion of affordable housing units in market rate housing projects consistent with the Growth Limitation Plan.

Responsibility: Community Development Department

Policy 11- 14:

Require that relocation assistance be provided to low and moderate income households when private redevelopment of land occurs.

Program 11- 14.1:

Develop an ordinance Continue to implement Ord. No. 1747 which requires applicants to provide relocation assistance to low and moderate income households. any person or family whose income does not exceed 80% of the area median income.

Responsibility: Community Development Department

Special Housing Needs

Policy 12- 15:

Support efforts to provide temporary and permanent shelter and transitional housing for homeless persons.

Program 12- 15.1:

Continue to provide funding, when appropriate, to organizations which provide transitional housing and assist the homeless. , such as SHELTER, INC., and Housing Alliance.

Responsibility: City Manager's Office Community Development Department and City Council

Program 15.2:

Contribute funds towards establishing a permanent homeless shelter in Central Contra Costa County.

Responsibility: Community Development Department and City Council

Program 12-2- 15.3:

Conduct a study and survey to identify sites within the City suitable for the eventual placement of emergency shelter facilities and transitional housing.

Responsibility: Community Development Department

Program 12-3- 15.4:

Amend the Zoning Ordinance Code and designate zoning districts where emergency shelters and transitional housing will be specifically permitted.

Responsibility: Community Development Department

Program 12-4- 15.5:

Periodically monitor, through the housing element revision process, the needs of the homeless in the Walnut Creek area.

Responsibility: Community Development Department

Program 15.6:

Coordinate with the County and other entitlement cities to address the housing and social service needs of the homeless in Contra Costa County.

Responsibility: Community Development Department

Policy 13- 16:

Encourage the development of housing accessible to disabled persons- people with disabilities.

Program 16.1:

If financially feasible, appropriate funds to agencies which provide services and permanent affordable housing for people with disabilities.

Responsibility: Community Development Department and City Council

Program 13-1 16.2:

Encourage the provision of housing for people with disabilities in multifamily housing projects. Amend the Zoning Ordinance to include fully accessible equipped handicapped housing as a housing type eligible for density bonuses in multifamily districts.

Responsibility: Community Development Department

Program 13-2- 16.3:

Continue to enforce the State Handicapped Accessibility and Adaptability Standards.

Responsibility: Community Development Department, Building Division

Policy 14: 17:

Continue to provide information to senior citizens regarding available senior housing programs and opportunities.

Program 14.1- 17.1:

Continue to work with nonprofit organizations that provide counseling and housing services to senior citizens and low income families throughout the City, including Resmee, on the Reverse Annuity Mortgage program and other applicable housing opportunities for senior citizens.

Responsibility: City Manager's Office
Community Development Department

Policy 15: 18:

Balance construction of senior citizen housing with the need for other types of housing in Walnut Creek.

Program 15.1- 18.1:

Conduct a study every five years to determine the housing needs of senior citizens, particularly those of low and moderate income.

Responsibility: Community
Development Department

Policy 16: 19:

Encourage the development of residential care and skilled nursing facilities for senior citizens.

Program 16.1- 19.1:

Amend the Zoning Ordinance to include provisions for residential care and skilled nursing facilities. Conduct a study to revise the City's Zoning Ordinance to establish an appropriate measure of density and other development standards for residential care facilities. Consider granting special consideration for units which serve very low and low and moderate income groups.

Responsibility: Community
Development Department

Fair Housing Opportunities

Policy 17-20:

Promote fair housing opportunities for all people.

Program 17-20.1:

Support the efforts of ~~Continue to~~ participate in and provide administrative support to the Community Housing Resource Board which provides technical assistance to the Association ~~Local~~ Board of Realtors in implementing and monitoring of the housing industry Voluntary Affirmative Marketing Agreements (VAMAs).

Responsibility: City Manager's Office
Community Development Department

Program 17-20.2:

Continue to publicize information on fair housing laws and state and federal anti-discrimination laws; refer all complaints to Shelter, Inc. the ~~Contra~~ ~~Cesta~~ County Housing Authority and the California Department of Fair Employment and Housing.

Responsibility: City Manager's Office
Community Development Department

Program 17-20.3:

~~Continue to~~ Allocate, when appropriate, a portion of CDBG funds to appropriate organizations in support of efforts to minimize housing discrimination.

Responsibility: City Manager's Office
Community Development Department
and City Council

Program 20.4:

Continue to work with mortgage lenders to assist with implementation of the Community Reinvestment Act.

Responsibility: Community
Development Department

GOAL 2: To encourage energy conservation designs in residential development.

Policy 18- 21:

Encourage the incorporation of energy conservation design features in existing and future residential development.

Program 18-21.1:

Continue to enforce the State Energy Conservation Standards for new residential construction and additions to existing structures.

Responsibility: Community Development Department, Building Division

Program 18-21.2:

Require that solar heating and cooling opportunities be considered in the design of subdivisions consistent with the Subdivision Map Act.

Responsibility: Community Development Department

GOAL 3: To meet Walnut Creek's regional housing needs.

Policy 19- 22:

Strive to meet Walnut Creek's share of regional housing needs.

Program 19-22.1:

Attempt to produce 2,267 dwelling units between 1988 and 1997, the City's share of the region's housing needs as estimated by ABAG. 2,400 dwelling units between 1988 and 1995, with an average of 400 new units per year. Encourage the construction of at least 67 units per year for very low, low, and moderate income households.

(Refer to Table 3-1, Housing Objectives)

Responsibility: Community Development Department

Policy 23:

Consistent with the Growth Limitation Plan, allow the construction of up to 2,550 dwelling units between 1993 and 2003.

In newly annexed areas, count only new residential projects approved after the date of annexation against the residential cap.

Program 23.1:

Review the residential development cap every five years when the Housing Element is revised to determine if the number is still appropriate based on the amount and rate of residential development.

Responsibility: City Council

Policy 24:

Exempt the following residential projects from the traffic standards of the Growth Limitation Plan. Deduct net new dwelling units from the residential development cap.

- a. Golden Triangle Replacement Housing
- b. Affordable Housing
- c. Housing in close proximity to BART (density bonus units)

Program 24.1:

Complete construction of the residential development in the Mixed Use District which complies with the conditions of approval for the three Golden Triangle office projects.

Responsibility: Community Development Department

Program 24.2:

Exempt from the traffic standards all units in a residential project where at least:

- a. 10% of the units are restricted to very low income persons, or
- b. 25% of the units are restricted to low income persons, or
- c. 51% of the units are restricted to moderate income persons, or
- d. 25% of the units are affordable to the following combinations of income levels:

Moderate: Maximum 50%
Low: Minimum 30%
Very Low: Minimum 20%

Responsibility: Community Development Department

Program 24.3:

Exempt from the traffic standards the density bonus units of residential projects (up to 25% over the maximum project size permitted under the traffic standards) located within approximately 1,500 feet of a BART station.

Responsibility: Community Development Department

Policy 25:

Assure that the goals, implementation measures and specific housing programs in this document are pursued within the established time frame to the extent possible and continue to be compatible with other elements of the General Plan.

Policy 20- 26:

Support a regional approach to solving the housing problems which cannot be solved by individual jurisdictions.

Program 25.1

Report to the Planning Commission and City Council annually on the Housing Element programs and the City's progress toward meeting its affordable housing goals.

Responsibility: Community Development Department

Program 20.1- 26.1:

Support the efforts of the Contra Costa County Housing Authority to increase the supply of affordable housing in Contra Costa County.

Responsibility: City Council

Program 20.2- 26.2:

Consider providing financial support to public and nonprofit agencies which provide services for special housing needs.

Responsibility: City Council

GOAL 4: To protect and conserve the existing housing stock where possible and appropriate.

Policy 21- 27:

Conserve the City's existing housing stock including existing rental housing and single family homes that are affordable to low and moderate income households.

Program 21.1-27.1:

Amend the Zoning Ordinance to Require new residential projects involving demolition of habitable single family homes which are affordable to low and moderate income households to include an equivalent number of equally priced housing units.

Responsibility: Community Development Department

Program 21.2-27.2:

As a condition of approval on projects that receive density bonuses, prohibit the conversion of affordable housing units to market rate rents for the longest period of time legally allowable, preferably 30 years, after initial occupancy.

Responsibility: Community Development Department

Program 27.3:

Work with the owners of housing projects that are at risk of converting to market rate rents within 10 years and develop a program for long term preservation of these units.

Responsibility: Community Development Department

Program 21.3:27.4:

Consider developing a program to Establish a residential rehabilitation loan program to provide low interest loans, using CDBG funds or other sources of funds, to low and moderate income households for single family housing rehabilitation and maintenance.

Responsibility: City Manager's Office Community Development Department and City Council

Program 21.5:27.5:

Participate in multifamily residential rehabilitation programs and consider allocating a portion of CDBG or other sources of funds to agencies administering these programs. the Contra Costa County Housing Authority for administration expenses.

Responsibility: City Manager's Office Community Development Department

Program 21.4:27.6:

Continue to regulate the conversion of condominiums as required in Article 7 of the Walnut Creek Subdivision Ordinance which pertains to condominium conversion.

Responsibility: Community Development Department

Program 21.6:27.7:

Investigate complaints and take appropriate action about Building and Housing Code Violations in single family and multiple family rental housing.

Responsibility: Community Development Department, Building Division

Program 21-7:

Consider maintaining a full time Code Enforcement Officer for the apartment inspection program with CDBG funds.

Responsibility: Community Development Department, Building Division

Policy 22- 28:

Encourage the relocation of structurally sound housing units scheduled for demolition to compatible neighborhoods when appropriate land can be found.

Program 22-1-28.1:

Notify the public prior to the sale of any homes acquired for any public improvement project.

Responsibility: Community Development Department.

DISCUSSION OF IMPLEMENTATION PROGRAMS

The following sections describe various actions and specific programs the City will use to meet its identified housing needs. Housing needs in Walnut Creek are most critical for the following population groups:

- Low and very low income families
- Moderate income families
- Female-headed families with children
- Elderly persons
- People with disabilities
- Large families
- Persons displaced as a result of public activities

In summary, the City will attempt to meet the needs of very low, low, and moderate income families, female-headed families with children, and people with disabilities with the production of more multifamily housing units. By retaining existing residential land use designations, and reclassifying some commercial parcels in the Core Area to residential uses, the City is providing opportunities for new housing construction, particularly in the Alma Avenue and Golden Triangle areas. New areas downtown have been designated for mixed uses, including residential, and housing will be encouraged above existing commercial structures. It is anticipated that with the higher densities permitted in the Core Area, private or non-profit developers will be able to construct more affordable units than in the lower density neighborhoods in the outlying areas of the City.

New programs have been introduced to encourage the construction of more affordable single family housing. The City will encourage the use of the planned development process to allow smaller homes on smaller lots in exchange for making them affordable. The City will also investigate financing mechanisms to provide mortgage assistance, or to assist with financing new housing through bond programs, and other similar programs, for low income residents and qualified first time home buyers. These population groups will also benefit from programs aimed at conserving the City's existing housing. While the City provides relocation assistance to persons displaced as a result of public activities, pursuant to State law, it has also adopted Ordinance No. 1747, which provides relocation assistance to persons displaced as a result of private activities.

Housing for independent seniors is currently being addressed by the private sector. The development of more residential care and skilled nursing facilities will be encouraged for the aging population currently living in senior housing, or other housing, in Walnut Creek.

A STATE MANDATED HOUSING

Section 65583 of the Government code requires that the Housing Element identify adequate sites for multifamily rental housing, factory built housing, mobile homes, emergency shelters and transitional housing.

The City of Walnut Creek does not distinguish between home ownership and rental properties in its land use policies. Multifamily housing, whether it is owned or rented, is a permitted use in any area designated Multiple Family on the General Plan Land Use Map, and is conditionally permitted in most commercial areas. Manufactured housing and mobile homes which have permanent foundations are permitted in any single family residential district, subject to Design Review approval. Refer to the General Plan Land Use Map, Figure 2-2, for the distribution of these land uses and the Land Availability section for a discussion of future buildout potential.

The Zoning Ordinance does not currently address homeless shelters and transitional housing. When amended, homeless shelters and transitional housing will be permitted uses in some zoning districts, and conditionally permitted in certain multifamily and commercial zoning districts. It is not likely that a homeless shelter or transitional housing will be permitted in any single family residential zones.

B. SECOND FAMILY RESIDENTIAL UNITS

In March 1983 the City adopted an ordinance which permits second family residential units in detached single family homes in any single family or multifamily zoning district. The intent of the ordinance is to provide the opportunity for the development of small rental housing units designed to meet the special housing needs of individuals and families, particularly those of low and moderate income, the elderly, and people with disabilities.

To date, 40 units have been legalized or constructed in the City. Although a survey has not been conducted regarding the rental rates of these units, the rents charged are likely to be comparable or less than the market rate rents for a one bedroom apartment in the City (see Appendix, Table 3-22) due to their sizes and are, therefore, considered affordable units.

C. SPECIFIC PLANS

Sections 65450 to 65453 of the California Government Code authorize local jurisdictions to adopt Specific Plans to implement their General Plans. Specific Plans typically cover a small portion of a community, such as a single neighborhood, and are designed to supplement a general plan with more detailed implementing measures.

It is possible to use the specific plan process to encourage housing development by addressing specific development and municipal facilities issues at the planning stage and thus save time at the project proposal stage. The specific plan process may also be used to identify areas which are appropriate for development or redevelopment at higher residential densities, thus lending some logic and consistency to the planned development process.

The City has already used the specific plan process in the Alma Avenue area bordered by California Boulevard, Olympic Boulevard, Alpine Road, and Botelho Drive. The plan has allowed a comprehensive approach to the consideration of development issues in this area and includes a provision which requires affordable units if the project exceeds a certain size (Floor Area Ratio 1.5).

Three residential projects have been proposed in the Alma Avenue Specific Plan area where the General Plan land use designation is Multifamily Special High, with a density range of 50 to 100 dwelling units per acre. At present, most of the apartments or condominiums are renting at rates affordable to people with moderate incomes.

Park Place Apartments, completed in 1989, includes 148 units. Two density bonus units are required to remain affordable to low income tenants in exchange for exceeding the 1.5 floor area ratio. The rents for the remaining 146 units fall within affordable ranges as well, with the 1-bedroom units renting for \$700 to \$865, and the 2-bedroom units renting for \$865 to \$1,200 per month.

Alpine Park, a 92 unit condominium project, was completed in 1992. Ninety-one of the 92 condominium units are being rented at affordable rates: studios for \$585 to \$650; 1-bedroom units for \$720 to \$945; and 2-bedroom units for \$834 to \$1,285 per month.

An application for Alma Avenue condominiums, including 174 for-sale units with 21 units affordable to low, and 14 units affordable to moderate income families, has been approved, but the permit has expired. It is likely that another project will be approved and will rent within the range affordable to moderate income families, similar to the other projects constructed in the Specific Plan area.

The City will continue to use the specific plan process in appropriate neighborhoods as a means of accomplishing planned residential development, including affordable housing.

D. MIXED USE DEVELOPMENTS

One method of increasing housing supply is to encourage a mix of residential and commercial development, especially in the Core Area. This mix of land uses can be accomplished in a variety of ways. One approach is to designate parcels which could be developed exclusively for commercial or residential uses. Second, an area might be designated for both commercial and residential use, and the market could then determine how the mix, if any, would occur. A third way of achieving this variety of uses is to allow a mixture of residential and commercial development on the same site.

1. Mixed Use District

The General Plan designates an area near the BART station as Mixed Use. The intent is to encourage a combination of high intensity office and residential uses, with ground floor retail shops in close proximity to BART. Residential uses are required with office development, consistent with the Golden Triangle Housing Policy (discussed below).

In this area, different uses can be placed on separate parcels, or can be incorporated in the development in the same building, or on the same lot.

2. Residences Above Commercial Structures

The City encourages residential use of floor space above ground floor office or retail establishments throughout the Core Area. Ground floor office or retail uses in selected areas may increase the economic feasibility of residential multifamily projects and, therefore, stimulate additional housing development. When properly designed, these ground floor uses also act as a buffer to the units above and create a sense of security and privacy for residents.

There are several problems to overcome, however, in the placement of residences above office or retail establishments. In the Core Area, the lack of space for off-street parking would limit the ability of owners to convert existing structures to mixed uses. Also, it may not be possible to reconstruct or add to some of the buildings within the requirements of the state seismic safety standards. However, the placement of residences above ground floor office or retail uses may be feasible in new structures.

City staff will develop guidelines for the development of residences above commercial structures. The guidelines should address:

- Possible modification of development standards
- Incentives for low or moderate income housing
- Parking and circulation issues
- The types of uses permitted
- The proportion of nonresidential use allowed relative to residential use
- The design of business facades and signs to blend with residential uses
- Private open space provisions, such as yards, decks, and balconies, or common open space areas for residential units

In 1991, Tower Court, a mixed use retail/residential project in the Core Area, was completed which provides 109 apartments over 13,000 square feet of ground floor retail. Several of the studios are affordable to low income persons; the remaining studios, one-bedroom, and two-bedroom units are affordable to single people or families with moderate incomes. The residential units were quickly rented while the retail space is leasing more slowly.

E. RESIDENTIAL DEVELOPMENT NEAR PUBLIC TRANSPORT

1. Golden Triangle Housing Policy

When the residential area around the Walnut Creek BART station was being redeveloped with office buildings in the early 1980s, the City Council adopted Resolution No. 4237 (Sept. 7, 1982) requiring developers to replace the number of dwelling units demolished by the new development (approximately 140). The policy set forth three options: 1) provide the housing on site as a mixed use development; 2) provide the housing elsewhere in the City; or 3) pay an in-lieu fee for the housing to be used for replacement housing elsewhere. One developer has designated a portion of the site above an underground parking structure for the construction of 46 units. This area is currently being used as an on-site park. Another developer purchased a vacant parcel close to the office project for the construction of 18 units. And another developer paid an in-lieu fee for 50 dwelling units.

Unfortunately, none of the housing units have been built. The Golden Triangle Housing Policy did not specify when the units had to be constructed. Because the developers have an obligation to provide the housing, these residential projects are exempt from the traffic standards in the Growth Limitation Plan and will be encouraged to be constructed.

2. Proximity to BART

Housing is encouraged around the Walnut Creek BART station to provide future residents convenient access to public transport. As an incentive for residential development in this location, density bonus units are encouraged (up to 25% over the maximum project size permitted under the traffic standards in the Growth Limitation Plan). The density bonus units of residential projects within approximately 1,500 feet of a BART station are exempt from the traffic standards of the Growth Limitation Plan.

It is estimated that a project up to 80 units in size may be constructed near the BART station within the next several years. A portion of the units are likely to be rented within the low and moderate income affordability ranges.

F. REZONING LAND FROM COMMERCIAL TO RESIDENTIAL

The Growth Limitation Plan limits the amount of commercial development that could be constructed until the year 2003 and places less emphasis on office development than in the past. As a result, several parcels in the Core Area have been redesignated from Office to Multiple Family Residential and assigned a density consistent with surrounding residential areas. These properties are located close to BART, the freeway or to the Broadway Shopping Center.

One major parcel in the Core Area which has been changed from commercial to residential use is the Kaiser parking site south of Newell Avenue across from the Broadway Plaza Shopping Center. This vacant site could yield approximately 134 units if constructed with multifamily housing units.

Another area south of Mt. Diablo Boulevard, previously designated for commercial uses, has been changed to Multiple Family Medium High and Multiple Family Very High. Redevelopment of this area would significantly increase the amount of multiple family housing units in the Core Area. Several parcels in the Core Area close to the BART station, on LaCassie and Ygnacio Valley Road, have also been redesignated from Office to Multiple Family Very High.

Future projects in these redesignated areas will be encouraged to include a component of affordable housing. The City will review the existing zoning provisions to determine if changes are necessary to encourage or mandate that a percentage of affordable housing be included in any future residential development over a certain size.

G. INNOVATIVE HOUSING APPROACHES

As part of the Planned Development process, the City has permitted attached single family homes in some of its single family residential areas. The intent was to cluster the homes to preserve open space. Attaching walls, carports or garages on single family dwellings on smaller lots also reduces the cost of the home. Several small infill projects have been successful using these methods.

A new General Plan residential land use category, Single Family High, was adopted to encourage the development of smaller homes on smaller lots, consistent with the character of the surrounding neighborhood. This category permits a density range of 6 to 9 dwelling units per acre, with lot sizes as small as 4,800 square feet. Lots this size should encourage the development of smaller, more affordable homes.

H. SECONDARY USE OF INSTITUTIONAL SITES

There are several institutional sites, such as schools, hospitals and post offices, which could potentially accommodate residential development as a secondary reuse. One such site which was formerly a high school and is now being developed for residential uses is the Del Valle School site near Rossmoor where apartments, townhouses, congregate living units, and a skilled nursing facility are being constructed for senior citizens. The City will identify appropriate secondary uses for all institutional sites in the City, as they become available.

I. LAND ACQUISITION OR LAND WRITE DOWNS

The City can assist with the purchase of land for affordable housing with Community Development Block Grant (CDBG) funds, or other funding sources, and then sell it at a reduced price (writing down the cost of the land) for the construction of low and moderate income housing. This was done for Casa Montego, an 80-unit HUD 202 sponsored senior housing project, which was constructed by Satellite Senior Homes, a non-profit senior housing agency.

The City can also assist with the purchase of land once a developer or non-profit agency has identified a site. In 1990 a surplus site was purchased from Caltrans with CDBG funds for the relocation of four existing townhouses to be sold to four low income families. The families selected are first-time homebuyers who live and work in Walnut Creek. An inventory will be conducted to identify sites potentially suitable for affordable housing.

J. ANNEXATION

The annexation of vacant land is one method of increasing the City's supply of housing. To ensure a greater degree of consistency between annexed areas and existing development within the City, the City will, to the extent feasible, prezone areas to be annexed. In this way, the City can specify the property development standards (outlined in the Zoning Ordinance) and service requirements to be met by the annexed area.

K. AVAILABILITY OF MUNICIPAL SERVICES

Currently, a large majority of the City's municipal services, such as sewer, water, fire protection, and flood control, are provided by agencies or districts independent of the City. The availability of adequate levels of municipal services, notably water and sewer services, is an important factor governing the rate of new housing development. It is critical, therefore, that new housing development is planned in such a way as to avoid or minimize potential constraints created by inadequate services.

Toward this end, the City will attempt to coordinate the timing of its development with local service district plans for plant expansion. To facilitate this process, the City will monitor the capacity of water and sewer systems and, should a constraint develop, will give priority to residential land uses over non-residential land uses. Municipal Services are discussed in more detail in the Growth Limitation Subelement.

L. HILLSIDE PRESERVATION

Preserving and protecting the natural hills surrounding the City is a high priority to Walnut Creek residents. In July 1991 the City Council adopted the Hillside Performance Standards Ordinance which, among other things, reduces densities on hillside properties with average slopes of 15% or greater. In November 1991 Measure P, the Walnut Creek Hillside/Open Space Protection Initiative, was adopted by the voters. Measure P redesignated three large hillside sites to Open Space/Agriculture and assigned a density of 1 dwelling unit/10 acres to these sites.

Measure P also addressed areas of high risk. Areas of high risk, as defined in the Measure and interpreted by the City Council, are reduced to a density of 1 dwelling unit/20 acres if the risk cannot be fully mitigated (such as a landslide).

The reduced densities affect the City's ability to produce market rate housing on sloped lots in single family areas. This density reduction, however, is not likely to affect the production of affordable housing which, for economic reasons, is not produced in these areas which are more expensive to develop.

M. FUNDING ASSISTANCE

In 1990 the City established an Affordable Housing Fund. The Fund is financed from two major sources: Community Development Block Grant (CDBG) funds and Redevelopment Agency Low and Moderate Income Housing Funds from the City's two redevelopment project areas. Recently, the fund was supplemented by revenues generated from the early redemption of Mortgage Revenue bonds. While each funding source has its own restrictions or eligibility requirements, the City has been able to use the combination of funds to finance several affordable housing projects.

In past years, the City has been successful in facilitating the development of housing at below-market rates through various bond financing programs. More recently it has become more difficult to obtain financing through these sources. However, the City will continue its efforts to obtain bond financing, if it can meet the necessary qualifications for funding, and will develop programs for qualified participants.

Assuming funding is available, the City will continue its involvement in the following programs:

1. Each year the City allocates a portion of its CDBG funds for housing programs. The amounts set aside in 1990 (46%), 1991 (76%), 1992 (56 %), and 1993 (59%) have funded a variety of programs as described in this section. The City will continue to allocate a portion of its CDBG funding for affordable housing programs consistent with the Comprehensive Housing Affordability Strategy (CHAS) requirements.
2. Under the requirements of California Redevelopment Law, as provided in Section 3334.2 of the Health & Safety Code, 20% of the tax increment funds from merged, amended, or newly created redevelopment areas utilizing tax increment financing must be set aside for housing purposes for low and moderate income households. These funds may be used for a variety of purposes such as land or building acquisition, construction financing, subsidies, land improvements, development of plans and paying the principal or interest on bonds and loans. In the past, the City was exempt from these requirements.

Beginning in 1990, the City has been setting aside funds from the Mt. Diablo Redevelopment Area and the South Broadway Redevelopment Area. To date approximately \$820,000 has been set aside for affordable housing from the two redevelopment areas.

This money has been used to assist two residential projects. The City assisted with land acquisition and the payment of development fees for two affordable housing units in an eight unit single family housing project. The units will be constructed by Habitat for Humanity and have deed restrictions so that they remain affordable to low income households for 20 years.

The funds were also used to assist with the construction of The Oaks, a 36-unit project affordable to low and very low income tenants. Both projects have been approved, but not yet constructed.

It is estimated that the City will assist with other low interest construction loans for projects which include units affordable to low and moderate income families in the next several years.

3. If available, the City will continue to allocate revenues generated from the early redemption of Mortgage Revenue Bonds. In 1984, the Concord-Walnut Creek Home Finance Authority issued Home Mortgage Revenue Bonds (\$37 million). With fallen interest rates, many of the outstanding mortgages have been refinanced, resulting in an accumulation of revenues (cash assets).

In 1992, the Governing Board of the Concord-Walnut Creek Home Finance Authority agreed to distribute the assets to each city (65% to Concord and 35% to Walnut Creek). The Walnut Creek City Council authorized the cash assets to be deposited in the City's Affordable Housing Fund. To date, approximately \$553,023 has been received by Walnut Creek.

4. The City has assisted four, low income, homebuyers with the purchase of their first homes. In combination with other financing requirements, the City has assisted with land and building acquisition, payment of all City/Agency fees, and silent second mortgages, payable to the City upon resale of the homes.

The City will continue to seek federal, state or local funding sources to assist first time homebuyers with mortgage assistance payments, down payment assistance, equity sharing, or other programs.

5. Continue to participate in the Contra Costa County Single Family Home Mortgage Finance Program for first time homebuyers. In 1988-89 fifty-two units were purchased in The Keys condominium under this program. No units have been purchased under this program since 1989. The City will renew its cooperative agreement with the County, which administers the program, so that financing can be made available for eligible projects in Walnut Creek.
6. Continue to participate in the County-sponsored Mortgage Credit Certificate Program, or other similar funding programs. In 1991-92, 14 condominium units were purchased under this program by low income families with average incomes of \$39,368. In 1992-93, the program provided 8 loans totalling approximately \$742,310 to low and moderate income households. If feasible, the City will apply to the California Mortgage Bond and Tax Credit Allocation Committee for authority to issue certificates. If other funding becomes available, the City will apply and develop programs to participate.
7. Participate in the Contra Costa County-sponsored HOME Program Consortium. The HOME Investment Partnership Program is a federal program funded through HUD. The Program provides funds to State and Local governments to increase and maintain the supply of affordable housing to lower income households through the acquisition, rehabilitation, and new construction of rental housing; homeowner

rehabilitation; first-time homebuyer assistance; and tenant-based rental assistance. The City may participate in the County's housing rehabilitation program which is currently funded partially with HOME funds.

8. Provide information to local developers and sponsors on available state and federal financing programs for rental apartment and single family housing construction. As the information becomes available, the City will continue to send letters to all developers who have expressed an interest in residential construction in Walnut Creek; will hold informational meetings for those who wish to participate in any of the programs; will refer requests to appropriate County, State and non-profit agencies; and will announce the availability of these programs in the Nutshell, the City's newsletter.
9. Continue to work with and provide funding to non-profit organizations, such as Eden Council for Hope and Opportunity (ECHO) that provide counseling to senior citizens throughout the City, including Rossmoor, on the Reverse Annuity Mortgage Program and other applicable housing opportunities for senior citizens. Since 1989 ECHO has provided information, counselling, and referral services to 374 senior citizens about reverse annuity mortgages.
10. Continue to work with and provide funding to non-profit organizations that provide counseling and services on housing to low income citizens throughout the City. In the past such agencies included Las Trampas, Battered Womens Alternatives, Pacific Community Services, Shelter, Inc., and the AIDS Project of Contra Costa County.
11. The Section 8 Rental Assistance Payments Program, administered by the U.S. Department of Housing and Urban Development, aids people with very low incomes in obtaining decent, safe, and sanitary housing in private accommodations at rents they can afford, and promotes economically mixed existing and moderately rehabilitated housing. The program provides housing assistance payments from housing authorities or other agencies delegated by HUD to participating private owners on behalf of eligible tenants who have been issued certificates of eligibility. Assistance payments make up the difference between the federally approved "fair market" rent due the owner of the dwelling unit and the tenant's required contribution towards rent. Assisted participants must pay the highest of either 30 percent of their adjusted income, 10 percent of gross income, or the portion of welfare assistance designated to meet housing costs.

This program is available to individuals, senior citizens, families, people with disabilities, and single parent households. Although the gradual replacement of the Section 8 program with housing vouchers has replaced other rent subsidy programs, there still exists a total of 124 voucher and certificate holders in Walnut Creek. These participants are comprised of 75 senior citizens, including 13 persons with disabilities, and 49 family households.

In addition to certificate holders, Section 8 certificates and vouchers are also tied to certain residential projects. Tenants who live at Tice Oaks (91 units) and Casa Montego (80 units), two senior housing projects, must meet HUD's very low income requirements to qualify for housing.

The City will continue to support the efforts of the Contra Costa County Housing Authority to obtain additional Section 8 certificates and vouchers for Contra Costa County, and to ensure full use of the Section 8 Rental Assistance Payments Program in Walnut Creek.

N. DEVELOPMENT REVIEW PRIORITY

The City gives development review priority to residential projects which include low and moderate income units. To streamline and expedite the development review process for affordable housing, the City appoints a subcommittee with one representative from the Design Review Commission and one representative from the Planning Commission to review and provide input at the time of an initial application.

A small residential infill project, with 25% of the units affordable to low income homebuyers, received all approvals, including rezoning, within four months.

O. FEE SUBSIDIES

The City may subsidize planning, engineering, transportation, site development, building permit, traffic impact, or parkland dedication fees for those projects with at least 25% of housing affordable to low income families. In the small residential infill project mentioned above, the City paid the development fees for the two affordable units in the eight unit project with redevelopment funds.

P. DENSITY BONUSES

Sections 65915 to 65918 of the California Government Code require cities to either (a) grant a density bonus and at least one concession or incentive, or (b) provide other incentives of equivalent financial value based upon the land cost per dwelling unit when a developer of housing agrees to construct at least (1) 20% of the units for lower income households (affordable rent cannot exceed 30% of 60% of the area median income); or (2) 10% of the units for very low income households (affordable rents cannot exceed 30% of 50% of the area median income); or (3) 50% of the total dwelling units for the elderly. This program is applicable to single family and multifamily housing developments.

To date, density bonuses have been granted in multifamily housing projects constructed under the former requirements where 25% of the total number of units could be designated for low or moderate income households. Two senior housing projects include a total of 74 density bonus units (37 low, 37 moderate), and two non age-restricted projects contain 38 density bonus units (36 low, 2 moderate). None of the density bonus units are required to remain affordable for more than 15 years.

The City will adopt a Density Bonus Unit Ordinance to include requirements that residential developers must meet to qualify for a density bonus and will continue to allow density bonuses consistent with State Law. However, density bonus units for seniors will be required to be restricted to very low or low income persons only.

As discussed previously, density bonus units will be permitted in residential projects located within 1,500 feet of a BART Station. The City will allow up to a 25% increase in the number of units over what is permitted under the traffic standards in the Growth Limitation Plan. Only one density bonus is permitted for these projects (a developer may apply for density bonus units in a market rate project, or may include the affordability component specified in the State Density Bonus Law).

It is estimated that the City will grant density bonuses for approximately 20 low and 14 very low income units. These density bonus units are required to remain affordable for at least 30 years.

Q. RELOCATION ASSISTANCE

Often, property housing low and moderate income families will be redeveloped. In some cases tenants are unable to afford the expense of moving and finding replacement housing. In 1990 the City adopted Ordinance No. 1747 which requires private developers to provide relocation assistance to any person or family whose income does not exceed 80% of the area median income.

In 1991 a commercial project was developed on a site which was formerly a motor court. Of the 22 people being displaced, 19 qualified for assistance under the ordinance. The developer paid two months rent to each tenant, prepared a list of alternative places for the people to relocate (several of the tenants moved to places on the list), and, in some cases, purchased the old trailers if the tenants were unable to relocate them.

R. PERSONS REQUIRING TEMPORARY SHELTER

Currently, the temporary shelter needs of the homeless in Walnut Creek appear to be satisfied. However, the City will make efforts to facilitate the development of emergency shelter and transitional housing programs and facilities, if needed in the future, through the following measures:

1. Continue to provide funding, when appropriate, to organizations which provide transitional housing and assist the homeless. Agencies which have received CDBG funding in the past include Shelter, Inc., Battered Women's Alternatives, Cambridge Community Center, Contra Costa Food Bank, and Loaves and Fishes.
2. Coordinate with the County and other entitlement cities to address the housing and social service needs of the homeless in Contra Costa County. The City has donated \$100,000 from CDBG funds towards the establishment of a permanent homeless shelter for the Central Contra Costa area.

3. Conduct a survey to identify sites within the City suitable for the eventual placement of emergency shelter facilities and transitional housing, if needed, consistent with the requirements of State Housing Element Law Section 65583 (c)(1).
4. Amend the Zoning Ordinance and designate zoning districts where emergency shelters and transitional housing will be specifically permitted.
5. Periodically monitor, through the Housing Element revision process, the needs of the homeless in the Walnut Creek area.

In 1990-1991 the City provided a building for an emergency shelter for the homeless for six months, rather than use the Armory. The program, operated by Shelter, Inc. and described in the Background Section, was very successful.

S. HOUSING FOR PEOPLE WITH DISABILITIES

If financially feasible, the City will continue to assist with housing for people with disabilities. Using CDBG funds over the past five years, the City has assisted Las Trampas, Inc., acquire two single family homes as permanent shelter for 12 people with disabilities. The City has also donated money from its General Fund to assist agencies providing services for people with AIDS.

T. SENIOR CITIZEN HOUSING

Senior citizen housing will be balanced against other housing needs in the community. In a recent review of senior citizen housing needs, it was shown that, with Rossmoor, there is an adequate supply of market rate housing units for independent seniors. However, there is still a great need for affordable housing for seniors, particularly for very low and low income persons.

Seniors also have specialized housing needs. As the Rossmoor population ages, and the residents become less independent and require more assistance with daily chores, they are more likely to need the services that congregate living, residential care, and skilled nursing facilities provide. Recent studies show that these facilities are needed nationwide.

To address these needs, the City will:

1. Allow density bonuses of at least 25% for the inclusion of units affordable to very low and low income seniors, consistent with State law. All density bonus units will remain affordable for as long as legally allowable, preferably 30 years.
2. Amend the Zoning Ordinance to encourage the construction of residential care facilities and skilled nursing facilities, particularly if the two facilities are provided on the same site.
3. Amend the Zoning Ordinance to promote congregate living units in multifamily zones and in some commercial districts. The density should be within the designated General Plan range with a density bonus of up to 25% for the inclusion of very low and low income units which will be reserved for at least 30 years.

U. FAIR HOUSING OPPORTUNITIES

The City will affirmatively further fair housing (prohibiting discrimination in the sale, rental and financing of dwellings based on color, religion, sex, national origin, disability or family status) by continuing to contract with housing service agencies such as Shelter, Inc. and Pacific Community Services.

Shelter, Inc. provides comprehensive fair housing services including landlord/tenant mediation, fair housing and discrimination counseling, default and delinquency services, emergency shelter, information and referral, community outreach and education. Landlord/Tenant and Fair Housing Programs assist landlords and tenants with housing problems through the dissemination of information on the California Civil Code and investigation of housing discrimination complaints.

Beginning in 1992, with City assistance, Shelter, Inc. was able to offer more expanded services under the Fair Housing Program by developing an active testing program and community outreach and education services and adding a Fair Housing Coordinator to their staff. Shelter, Inc. also participates in training for central county Realtors concerning fair housing and the National Association of Realtors Voluntary Affirmative Marketing Agreement.

V. ENERGY CONSERVATION

The City will encourage the incorporation of energy conservation design features in existing and future residential development. The City will continue to enforce the State Energy Conservation Standards for new residential construction and additions to existing structures, and require that solar heating and cooling opportunities be considered in the design of subdivisions, and comply with the Subdivision Map Act.

W. REGIONAL HOUSING NEEDS

In addition to constructing new housing to meet its share of regional housing needs, the City of Walnut Creek also contributes financially to a number of non-profit and public agencies established to provide services to people with special housing needs. Rather than duplicate the efforts of these groups, funding is provided in exchange for services to Walnut Creek residents with special housing needs, and to those people who wish to reside in Walnut Creek (these efforts have been described in "Population Groups with Special Housing Needs"). In addition to providing funding, the City supports the efforts of the Contra Costa County Housing Authority to increase the supply of affordable housing in Contra Costa County and encourages State and Federal legislators to provide appropriate resources to serve low and moderate income housing needs.

X. GROWTH LIMITATION PLAN

The Growth Limitation Plan establishes acceptable levels of growth while tying development to infrastructure capacities. Between 1993 and 2003, the Plan allows for the construction of 2,550 residential units. This number is consistent with the Association of Bay Area Government's (ABAG) estimated housing needs for Walnut Creek excluding the Sphere of Influence areas over which the growth limitation policies would not apply.

The Growth Limitation Plan exempts certain residential projects from the traffic standards. Exemptions are included for replacement housing in the Golden Triangle area, residential projects where a certain number of units are affordable to specific income groups, and density bonus units in housing projects that are within 1,500 feet of a BART station.

The residential cap will be reviewed when the Housing Element is updated to ensure that the City can realistically address its regional fair share housing allocation.

Y. CONSERVATION AND PRESERVATION OF EXISTING HOUSING

1. Housing Replacement

Housing which is older and smaller in size is often rented for less than larger and newer homes. When these houses are demolished for new development, the amount of affordable housing in the City is subsequently reduced. In the last several years, the City has seen several of the older, single family homes demolished and replaced with newer and larger single family houses, or multifamily housing projects. At present, existing multifamily housing development is not threatened.

In an effort to preserve affordable housing, new residential projects involving demolition of habitable single family homes which are affordable to low and moderate income households will be required to include an equivalent number of equally priced housing units in any new residential development.

2. Conversion of Affordable Housing to Market Rate

State law requires that a City or county grant density bonuses plus other incentives of equivalent financial value to developers who agree to construct a certain amount of very low or low income housing in their new developments. The law also states that the units shall remain affordable for at least 30 years, under certain conditions. To assure that the units remain affordable for a reasonable length of time, as a condition of approval on those projects that receive density bonuses, the conversion of affordable housing units to market rate rents shall be prohibited for the longest period of time legally allowable after initial occupancy. The City's preference is for a minimum of 30 years.

3. Preservation of Units at Risk of Converting to Market Rate

Housing Elements are required to analyze existing assisted housing developments that are eligible to change from low income housing uses during the next 10 years due to termination or subsidy contracts, mortgage prepayment, or expiration of restrictions on use.

Four Season Apartments, with 140 market rate and 36 low income units, will be eligible to convert its low income units to market rate any time after June 1, 1997. While the subsidy does not terminate within this five year housing element period, the City is required to prepare a plan to address the termination within the 10-year time frame.

The City will work with the property owner to try to keep the units affordable beyond June 1997. If the owner is unable to keep the rent levels affordable to low income tenants, then the City will pursue several options:

- a. The City will work with the Housing Authority to diligently pursue Section 8 certificates or vouchers to assist the tenants who wish to remain in their units.
- b. If financially feasible, the City may subsidize the difference between the affordable rate and the market rate, and contract with a non-profit housing agency or the Housing Authority to manage the units for a specified period of time.
- c. If the project is to be sold, the City may request first right of refusal to purchase. This would give the City control of the facility for future sale or management purposes.
- d. If financially feasible, the City may work with a non-profit housing agency to purchase the entire project and keep, at a minimum, the current affordability mix.
- e. If financially feasible, the City could assist a non-profit housing agency with the purchase of another facility and relocate the tenants to affordable units within the new facility.

4. Rehabilitation and Maintenance

Homeowners with lower incomes often have a difficult time repairing their homes and maintaining them in a safe condition. To assure that affordable housing is preserved in the community, the City will consider developing a program to provide loans using CDBG funds or other sources of funds, to low and moderate income households for single family housing rehabilitation and maintenance.

The City has participated in a similar program in the past. Issues which will be critical to the success of a new rehabilitation loan program are (1) the extent of the demand, (2) how it will be administered, and (3) the size of the loan permitted. The City will study alternatives and make recommendations to improve the previous program. The City may participate in the County's housing rehabilitation program which is currently funded partially with HOME funds.

To encourage the upkeep of multiple family housing units in safe condition, the City will pursue funding for multiple family housing rehabilitation programs for qualified participants. Should such a program become available, the City will consider allocating a portion of its CDBG funds, or other sources of funds, to agencies administering these programs.

5. Code Enforcement

Preservation of the housing stock often depends on periodic inspections and regular maintenance improvements. To accomplish this, the City will continue to investigate complaints about Building and Housing Code violations in single family and multifamily rental housing and will take the necessary action to correct the violations.

6. Housing Relocation

To preserve the existing housing stock, the City will encourage the relocation of structurally sound housing units scheduled for demolition for any public improvement project, to compatible neighborhoods when appropriate land can be found. In 1990, the City purchased four townhouse units that were proposed for demolition by CALTRANS. The houses were moved and sold to low income, first-time homebuyers who live and work in Walnut Creek.

7. Existing Rental Stock Protection

In its efforts to maintain an adequate supply of rental housing, the City will continue to regulate the conversion of condominiums and will continue to enforce Article 7 of the Walnut Creek Subdivision Ordinance which limits the number of conversions to no more than 5% of the City's potentially convertible rental stock in any one calendar year.

According to the 1990 Census, there are approximately 10,000 rental apartments in Walnut Creek. With a limit of converting 5% per year to condominiums, approximately 3,000 units could be converted over six years, although this is not likely to happen. If the 3,000 units converted, approximately 7,000 units would remain in the rental housing stock.

QUANTIFIED HOUSING OBJECTIVES

Section 65583(b)(2) states that the quantified objectives shall establish the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period. It also recognizes that the total housing needs identified may exceed available resources and the community's ability to satisfy this need.

The actual and estimated number of housing units to be provided between 1988 and 1997 through the City's housing policies and programs are presented in Table 3-1. This table shows the number of units that have been constructed, rehabilitated, or conserved between 1988 and 1992, and the number of units projected to be constructed, rehabilitated or conserved between 1993 and 1997.

As shown in Table 3-1, most of the new construction is likely to be market rate housing. While the City will encourage the inclusion of very low, low and moderate income housing in new development projects, it is more realistic to assume that the successful affordable housing efforts will be made by assisting with financing programs for existing units.

As of January 1, 1993, there were 30,614 dwelling units within the City limits. The Housing Element (1989) estimated that 400 new units could be constructed each year between 1988 and 1995 within the City limits to meet ABAG's regional fair share housing allocation of 2,267 units. Although ABAG's projection is based on Sphere of Influence boundaries, the City estimated that the new housing could be constructed within its municipal boundaries because the City's residential policies could not be applied to new housing projects within the Sphere of Influence.

Between 1988 and 1992, the City produced ~~1278~~¹³⁷⁰ units within its municipal boundaries. Another 468 units were constructed within the Sphere of Influence for the same time period. Included in the ~~1278~~¹³⁷⁰ units constructed in the City are ~~257~~³⁶² moderate income units, ~~26~~ low income units, and 80 very low income units. If this same rate of construction continues, the City will not be able to meet its objective of producing 400 units per year. However, if the units constructed within the Sphere of Influence are counted, consistent with ABAG's projection, the City could meet the ABAG projection for 1995 (subsequently extended to 1997) for total housing units, but is not likely to meet the goals for the individual income categories.

Table 3-1

Housing Objectives
1988-1997

Programs for New Construction	Above Moderate	Moderate	Low	Very Low
Second Family Residential Units 1988-1992 1993-1997			4 6	
Alma Ave. Specific Plan Area 1988-1992 1993-1997	1	239 153	21	
Residences Above Commercial Structures 1988-1992 1993-1997		105	4	
New Housing Near BART 1988-1992 1993-1997	15	60	5	
Innovative Housing Development 1988-1992 1993-1997	12 48	6	6	
Reuse of Institutional Sites Del Valle High School (Senior Hsg) 1988-1992 1993-1997	337 44			
Land Acquisition/Land Write-Downs 1988-1992 1993-1997	6		4 12	
Density Bonuses 1988-1992 1993-1997			20	14
Low Interest Construction Loan 1988-1992 1993-1997		40	39	7

Table 3-1 (Con't)

Housing Objectives
1988-1997

Programs for New Construction	Above Moderate	Moderate	Low	Very Low
Emergency ¹ Shelter 1988-1992 ¹ 1993-1997 ²				
Transitional Housing 1988-1992 ³ 1993-1997 ³				
Senior Housing 1988-1992 Rossmoor Casa Montego Kensington Place 1993-1997 Rossmoor (Neigh. #4 - final phase)	146 144 372	18*	18*	80
Other Residential Development 1988-1992 City of Walnut Creek Sphere of Influence 1993-1997 City of Walnut Creek Sphere of Influence	258 468 200 200			

¹ One facility-served 25 people from Walnut Creek² One facility-if needed³ One facility-if needed

* Low and moderate income units are density bonus units

Table 3-1 (Con't)

Housing Objectives
1988-1997

Programs for New Construction	Above Moderate	Moderate	Low	Very Low
Total Built 1988-1992				
City of Walnut Creek Sphere of Influence	898 468	362	30	80
Total Projected 1993-1997				
City of Walnut Creek Sphere of Influence	685 200	259	109	21
Est. New Unit Construction (1988-1997)	2,251	621	139	101
ABAG Projection (1988-1997)	1,021	453	340	453
Percent of Housing Need (1988-1997)	220%	137%	41%	22%

Other New Construction	Above Moderate	Moderate	Low	Very Low
Skilled Nursing Facilities 1988-1992 (Manor Care) 1993-1997 (Del Valle)	155 120			
TOTAL NO. OF NEW BEDS	275			

Table 3-1 (Con't)

Housing Objectives
1988-1997

Programs for Housing Conservation or Rehabilitation	Above Moderate	Moderate	Low	Very Low
Home Ownership Assistance Programs 1988-1992 1993-1997		52 5		
Mortgage Credit Certificates 1988-1992 1993-1997		3	19 4	
Reverse Annuity Mortgages 1988-1992 1993-1997			5 5	
Rehabilitation Loans 1988-1992 1993-1997		6	6	
Rental Assistance - Section 8 ⁴ 1988-1992 1993-1997			6	74 118
Relocation Assistance 1988-1992 1993-1997			19 3	
Housing for People with Disabilities 1988-1992 1993-1997				12 6
Preservation of Units at Risk Four Seasons Apts. (Not until 1997)			36	
TOTAL UNITS TO BE CONSERVED OR REHABILITATED				
1988-1992		55	43	86
1993-1997		11	60	124

⁴ This number does not include 171 Section 8 certificates which are project-based:
Casa Montego = 80 and Tice Oaks = 91

SCHEDULE OF HOUSING PROGRAMS

Table 3-2 outlines the tentative time schedule for implementing the housing programs. The numbers in the table refer to the program numbers as listed in the previous goals and policies section. Some programs are listed twice. They are listed under the year they were first implemented or adopted, and are also shown as ongoing programs.

The City will strive to meet these time targets but realizes that unforeseen time or budgetary constraints may delay the schedule for certain programs.

Table 3-2
Schedule of Housing Programs
1990-1997

Ongoing Programs

1.1, 1.2, 2.2, 4.1, 5.1, 6.1, 7.1, 8.1, 9.1, 10.2, 12.1, 13.1-13.17, 14.1, 15.1, 15.2, 15.6, 16.1-16.3, 17.1, 20.1-20.4, 21.1, 21.2, 24.1-24.3, 25.1, 26.1, 26.2, 27.1, 27.2, 27.5, 27.6, 27.7, 28.1

Completed Programs

Year

1990:	13.1, 14.1
1991:	5.1, 13.2, 13.12, 13.13
1992:	8.1, 10.1, 13.3
1993:	4.1, 10.3, 13.5, 16.1, 24.2, 24.3

Programs Scheduled for Completion

1994:	1.3, 3.1, 3.2, 13.6, 15.3, 15.4, 19.1
1995:	2.1, 13.10
1996:	11.1
1997:	15.5, 18.1, 22.1, 23.1, 27.3

ASSESSMENT AND INVENTORY

As required by Government Code Section 65583(a), the needs analysis consists of an assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs, including the following:

- population and employment trends and housing needs;
- household characteristics;
- inventory of land suitable for residential development;
- governmental constraints;
- non-governmental constraints;
- special housing needs;
- opportunities for energy conservation; and
- assisted housing developments.

A. POPULATION AND EMPLOYMENT TRENDS AND HOUSING NEEDS

This section consists of an analysis of population and employment trends, documentation of projections and a quantification of Walnut Creek's existing and projected housing needs for all income levels. The existing and projected needs include Walnut Creek's share of the regional housing need.

1. Population Characteristics

The following sections contain information on the population, household, and housing characteristics of the Walnut Creek community. Much of the data presented is based on 1990 Census results; however, in some cases, more current information is used.

An analysis of the City's demographic trends is an important step in the development of the housing element for it identifies areas of need and establishes a statistical base from which effective housing policies can be designed.

a. Population Trends

The 1990 Census reported a total population of 60,569 in Walnut Creek. This figure represents a 12.9% increase in population during the preceding decade.

Table 3-3 below compares population growth trends of Walnut Creek and Contra Costa County.

Table 3-3
Population Trends

	1970	1980	1990	2010
City of Walnut Creek	39,844	53,643	60,564	73,036 ¹
Contra Costa County	555,244	656,380	803,732	1,104,700 ²
	1970-1980 Average Annual Percent Change		1980-1990 Average Annual Percent Change	
City of Walnut Creek	3.5		1.3	
Contra Costa County	1.8		2.2	

b. Racial and Ethnic Distribution

Walnut Creek's population is predominantly white (90.8%), with blacks, Asians, Native Americans and other races accounting for 0.8%, 6.7%, 0.2%, and 1.5% respectively, of the City's total population. A comparison of these 1990 figures with 1980 Census data reveals that the non-white population as a segment of the total population has increased from 6.3% to 9.2%.

c. Age and Gender

The population of Walnut Creek has a relatively high median age (41.8 years) when compared with the population of Contra Costa County (34.2 years). Walnut Creek's high median age can be attributed to a smaller proportion of persons under age 18 and a sizable percentage of persons over age 60, many of whom reside in Rossmoor, a local retirement community. As Table 3-4 illustrates, the distribution of males and females is approximately equal in each age category except the "60 and over" group, in which women represent 73% of the total.

¹ The 2010 population estimate assumes a continuation of the 1.3% growth rate between 1980 and 1990.

² ABAG, *Projections '94*

Table 3-4
Population by Age
City of Walnut Creek

Age	Total	Male	Female
Under 18	10,050 (16.6%)	5,271 (18.8%)	4,779 (14.7%)
18 - 29	9,207 (15.2%)	4,647 (16.6%)	4,560 (14.0%)
30 - 44	14,150 (23.4%)	6,749 (24.0%)	7,401 (22.7%)
45 - 59	10,330 (17.0%)	4,991 (17.8%)	5,339 (16.4%)
60 and Over	16,832 (27.8%)	6,379 (22.8%)	10,453 (32.2%)
TOTAL	60,569 (100%)	28,037 (46.3%)	32,532 (53.7%)

Median Age

1990	41.8	39.2	44.1
1980	39.6	36.9	42.1
1970	33.6	31.9	35.1

2. Employment Trends

Walnut Creek, once characterized as a bedroom community for San Francisco executives, has rapidly developed into a key business center. Major businesses have located headquarters or branch offices in the City's downtown core area. The resulting employment opportunities impact the City's housing market; however, the degree to which the City must provide housing to accommodate the influx of jobs depends on the nature of the new firms and their employees. This section will discuss employment in Walnut Creek as well as the housing implications of current office development.

a. Existing Conditions

The 1990 Census indicates that there are 31,063 employed residents in Walnut Creek with the largest employment sectors in services (36.4%), retail trade (15.9%) and finance, insurance and real estate (15.4%). This trend is expected to continue throughout the life of the plan. Table 3-5 lists the major businesses in Walnut Creek in 1992.

Table 3-5
Major Walnut Creek Businesses (1992)

	No. of Employees	Type of Business
John Muir Medical Center	1,772	Health Care
Kaiser Permanente Medical Cntr.	1,250	Health Care
Contra Costa Times	906	Newspaper Publisher
Nordstrom	600	Retail Trade
Wells Fargo Bank	530	Commercial Banking
Chevron U.S.A.	500	Petroleum Mfg.
Long Drug Stores	499	Office & Retail
Travelers Companies	476	Insurance
Pacific Bell	444	Telecommunications
Liquid Air	400	Manufacturer of Industrial Gases
Varian Aerograph	400	Instrumentation for Chemical Analysis

Table 3-6 describes the commute patterns of Walnut Creek residents. As shown in Table 3-6, over two-thirds of the residents of Walnut Creek work outside their place of residence. Most of the residents (61%) work in Contra Costa County.

Table 3-6
Where Walnut Creek
Residents Work
(1990)

WALNUT CREEK

Worked in Walnut Creek	28.9%
Worked Outside Walnut Creek	71.1%

COUNTY

Worked in Contra Costa County	61.0%
Worked in Another County in State	39.0%

b. Implications of Future Commercial Development

This section looks at future commercial development to the year 2010 and the availability of housing within the incorporated City limits for workers expected to also reside in Walnut Creek.

The Growth Limitation Plan limits the amount of future commercial development to 750,000 square feet until Year 2003. This development is expected to include retail and office uses. Community facility development is not limited by Growth Limitation Plan Policies.

To determine the number of employees projected by future commercial buildout, an employee/square foot factor was assigned to the retail and office categories. Assumptions were made on the distribution of the 750,000 square feet, and the following additional workers are estimated:

<u>General Plan Designations</u>	<u>Allocation of Additional Sq. Ft.³</u>	<u>Factor</u>	<u>Additional Workers⁴</u>
Retail	465,000	450	1,033
Office	285,000	220	1,295
TOTAL	750,000		2,328

Note: John Muir Medical Center and Kaiser Medical Center may expand their facilities by the year 2010. Hospitals are not considered commercial development and are exempt from the square foot allocation requirement.

- (1) Residential Demand Resulting from Employment Growth
Assuming 100% of all new workers will live in Walnut Creek

2,328	(Additional workers)
1.10	(Divided by workers per household)
2.116	Maximum number of new households assuming all jobs are filled by Walnut Creek residents (100%)
- (2) Residential Demand Resulting from Employment Growth
Assuming 50% of all new workers will live in Walnut Creek

.50	(Residence in place of work factor)
1.10	(Divided by workers per household)
x2,328	(Additional workers)
=1,058	Number of new households expected to reside in Walnut Creek (50%)
- (3) Residential Demand Resulting from Employment Growth
Assuming 30% of all new workers will live in Walnut Creek

³ Assumes a proportionate distribution based on buildout potential (General Plan Amendment 6-92, EIR, dated January 1993)

⁴ Maximum number of new workers based on 100% eventual occupancy

Table 3-6 projects that 29% of the residents of Walnut Creek will be employed in Walnut Creek (the remaining 71% of working residents will be commuting to jobs outside the City). This projection was based on the 1990 Census. Assuming that approximately 30% of the Walnut Creek workers will be living in Walnut Creek, the minimum number of new households is projected as follows:

.30	(Residence in place of work factor)
1.10	(Divided by workers per household)
x <u>2.328</u>	(Additional workers)
=	635 Minimum number of New Households Expected to reside in Walnut Creek (30%)

It appears that the City would need to approve at least 635 new housing units between 1990 and 2010 to accommodate new workers in the incorporated areas of the City. (This analysis does not include the unincorporated areas.) However, should a greater proportion of new workers choose to reside in Walnut Creek than the numbers estimated here, the City would have to increase its housing approvals even further to accommodate new workers.

3. Future Housing Needs

State legislation enacted in 1980 (Chapter 1143, Statutes of 1980; AB 2853) requires councils of governments in California to determine existing and projected regional housing needs and each member jurisdiction's share of that regional need. In turn, cities and counties must address these local shares of regional housing needs in the housing elements of local general plans. The following section shows the housing needs for Walnut Creek as determined by the Association of Bay Area Governments (ABAG) in 1988.

In assessing the regional housing needs, ABAG takes into account several factors, including: market demand for housing as evidenced by housing value trends, vacancy rates, and income/affordability relationships; employment opportunities; availability of suitable sites and public facilities reflected in local plans; commuting patterns to relate the location of housing and jobs; type and tenure of housing obtained from census data; and housing needs of farmworkers.

ABAG prepared the following housing needs estimates for the City of Walnut Creek:

Projected Need 1988-1990	Projected Need 1990-1995	Projected Need 1995 Jobs/Housing Balance	Total Projected Need 1988-1995
410	348	1,509	2,267

The projected housing need is divided into two time periods: 1988-1990 and 1990-1995. ABAG calculated the information this way to distinguish between the two Housing Element revision periods. Thus, 410 housing units were needed by 1990, and another 348 housing units were projected between 1990-1995 to accommodate the growth in households within Walnut Creek's Sphere of Influence as specified in ABAG's Projections 1987. ABAG also projected that an additional 1,509 housing units would be required to accommodate a greater share of the local labor supply than expected under current ABAG projections.

The total housing need is the sum of the housing units needed to accommodate growth in households and the need associated with the jobs/labor supply imbalance.

The determinations of regional housing needs must also consider the need for housing at all income levels. The projected housing needs by income distribution is shown below.

Table 3-7
Projected Housing Needs by Income Distribution⁶
1988-1995

Very Low	Low	Moderate	Above Moderate	Total Projected Need
453	340	453	1,021	2,267

⁵ The methodology used by ABAG to calculate regional housing need relies on available information. The formulas specifically address the requirement of Section 65584 of the Government Code. Changes in vacancy rates and in housing values and rents are used as indicators of market demand. Household projections are based on consideration of employment opportunities, commuting patterns, and the availability of sites for development in the region. Tenure (owner and renter proportions) is used in formulas.

⁶ Income distribution percentages are based on 1980 census data.

The projected needs figures do not imply that Walnut Creek must produce the identified amount of very low, low, moderate, and above moderate housing; however, the numbers do imply a net increase is needed in the number of available units in each of the income categories.

a. 1988-1995 Projections

The information used for projecting housing needs in this update is derived from ABAG's Projections 1987. The projected need for housing units in Walnut Creek has decreased from the previous estimate made by ABAG. The number of housing units projected, however, is still less than the number of projected jobs. According to ABAG, the household growth forecast was revised in 1987, in part, to reflect the land use changes and local policies in Walnut Creek and adjacent communities. Projections 1987 indicates that by 1995 Walnut Creek will have more jobs than households taking into consideration the buildup of approved commercial projects. Therefore, between 1988-1995 it will be necessary to provide 1,509 more housing units within the sphere of influence than ABAG's projections previously assumed. With the new land use designations, and no restrictions on residential growth, it is likely that the City could meet this demand. As discussed in the Land Inventory section, there is the potential for an additional 3,126 units to be constructed on vacant land within the Planning Area of Walnut Creek. Another 5,235 units could be constructed, although not likely, on underutilized parcels within the Planning Area. Some of this potential will be realized by changing the land uses of certain parcels from Commercial to Residential.

It is estimated that between 1988 and 1997 the City can meet its projected need for new housing units (refer to Table 3-1, Housing Objectives). The majority of these units, however, would be affordable primarily to households with above moderate incomes. The increase in the City's housing stock, therefore, is not likely to be distributed among the four income categories in the same manner as determined by ABAG. For the remainder of the decade, the City is likely to be able to accommodate only a portion of the units affordable to very low, low, and moderate income households which ABAG has determined are needed. Additional lower cost units may become available in the existing housing stock as people move to more expensive homes. However, no quantitative studies of this process have been undertaken in Walnut Creek.

b. Housing Priorities

To demonstrate its desire to meet a portion of its share of the regional housing need, the City has set a goal of 861 new very low, low, and moderate income units between 1988 and 1997. This goal

represents approximately 69% of the ABAG projection for very low, low, and moderate income households, and is based on estimates presented in Table 3-1⁷. Given the considerable barriers to the construction of affordable housing and the current framework of state, federal, and local incentives for such housing, the City believes that construction of approximately 96 very low, low, or moderate income units per year is the most realistic possible objective that can be achieved.

In addition to adding approximately 861 affordable units to the City's housing stock, it is projected that the City will conserve or rehabilitate 379 units between 1988-1997. This will be done by funding or participating in the programs for Housing Conservation or Rehabilitation listed in Table 3-1. When averaged together, the City will be assisting approximately 138 units per year with its new construction, conservation, or rehabilitation housing programs.

B. HOUSEHOLD CHARACTERISTICS

Government Code Section 65583(a)(2) requires that the Housing Element include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

1. Number and Average Household Size

In 1990, the City of Walnut Creek was comprised of 28,340 households. Of this total, 57.3% (16,234) were family households, and 42.7% (12,106) were non-family households (a householder living alone or only with persons not related to him or her). Persons in group quarters (non-household) accounted for 1.3% of the City's total population.

Walnut Creek's average household size in 1990 was 2.11 a 7.9% decrease since 1980 when households contained an average of 2.29 persons.

2. Household Type and Size

In 1990 married couple families constituted the largest sector of the household population (49.4%). Of these 14,001 married couple families, 33.8% had children under age 18.

Single-person households represented the second largest household subgroup (35.6%). Of these 10,099 persons living alone, 48.6% were 65 years of age or older.

Single-parent families accounted for 7.9% of Walnut Creek's household population in 1990. Single females headed 1,597 (71.5%) of these families.

⁷ Between 1988-1997 a total of 1,246 very low, low, and moderate income units are needed, or 138 units per year. The City's goal of 96 units per year, therefore, accounts for 70% of each year's need.

Households containing two or more unrelated individuals comprised 8.4% of Walnut Creek's 1990 household population. One hundred twenty-nine (5.4%) of these non-family households included persons 65 years or older.

Table 3-8
Household Size by Housing Type and Tenure (1990)

<u>Persons Per Unit</u>	
Owner Occupied	2.23
Renter Occupied	1.86

3. Income

In reporting income statistics, the Census employs a variety of methods. Income can be calculated on the basis of household type (e.g. total households or family households only) and is generally reported in terms of median or mean (average) figures.

Family households are a subset of the total household population. Because families typically have higher incomes per household than households composed of single or unrelated individuals, family income figures reported in the Census are higher than household income figures, which reflect the income of the entire population.

In 1990, the Census reported that Walnut Creek's median and average household incomes were \$45,529 and \$55,745, respectively. In comparison, the City's 1990 median and average family incomes were \$60,046 and \$69,459.

As a basis for establishing affordability guidelines for its housing programs, Walnut Creek has used the median household income figure for the PMSA (Alameda and Contra Costa County) instead of the City, to reflect region-wide housing needs. In 1991, the county median income for a 4-person household was \$42,400. From this median income figure, government agencies generally compute four income categories :

Very low income (less than 50% of median) - \$21,200
Low income (50% to 80% of median) - \$21,200-\$33,920
Moderate income (80% to 120% of median) - \$33,920-\$50,880
Above moderate income (greater than 120% of median) - \$50,880

Table 3-9 illustrates the number of Walnut Creek households and families within each income category.

Table 3-9
Household and Family Income

Income Category ⁸	Households Number	%	Families Number	%
Very Low	4,300	15.2%	1,071	6.6%
Low	5,903	20.8%	2,256	13.9%
Moderate	5,466	19.3%	2,923	18.0%
Above Moderate	<u>12,671</u>	<u>44.7%</u>	<u>9,984</u>	<u>61.5%</u>
TOTAL	28,340	100.0%	16,234	100.0%

4. Household Payments for Housing

The California Department of Housing and Community Development defines housing payments which exceed 25% of an occupant's income to be above what a household, on the average, can reasonably afford. In this analysis, however, thresholds of 25%, 30% and 35% for lower income, moderate income and higher income groups are used to present overpayment statistics which more realistically represent a financial hardship to the household.

a. Renters

In 1990 54.4% of all renters devoted over 25% of their income to rental payments. Seventy-eight percent of all low income renters and 93% of all very low income renters pay in excess of 25% of their income to rent. Moderate income and above moderate income households, however, experienced significantly lower rates of overpayment: 13.7% and 0.5% of moderate income and above moderate income residents overpaid 30% and 35%, respectively.

A comparison between 1980 and 1990 indicates that the median income for a family of four has increased by 85.8% (from \$32,317 to \$60,046, while median gross rent has increased by 122% (from an average of \$325 to \$720). Renters are either paying a larger portion of their income for rental payments, or they are living with more people per unit to reduce the cost.

⁸ In its projection of regional housing needs by income category, the Association of Bay Area Governments uses a median income figure that is based on the City, County and Bay Area regional median income (refer to discussion in Future Housing Needs section). The housing needs analysis for Walnut Creek, however, is based on the County median household income because it more closely reflects the actual income characteristics of the City's residents.

Table 3-10
Overpayment Among Renters
(1990)

Percent of Households in Each Income Category Overpaying by Each Amount

Income	25-29%	30-34%	35% & Over
Less than \$10,000	2.9	5.5	81.0
\$10,000 - \$19,999	1.7	3.3	90.6
\$20,000 - \$34,999	21.9	22.0	34.1
\$35,000 - \$49,999	13.7	6.2	9.6
\$50,000 or more	4.6	4.4	0.5
All incomes	11.4	10.1	32.9

b. Owners

Payments in excess of 25% of income among owners is less pervasive than among renters. However, like renters, the incidence of "overpayment" among owners is concentrated among the lower income groups. While 40.2% of all owners pay over 25% of their income for housing, the largest share of overpayment occurs among very low income households (below \$21,200) 80% of whom overpay by 25%. Forty-six percent of all low income owners (below \$33,920) contribute over 25% of their income to housing. Moderate income (up to \$50,880) and above moderate income owners overpay to a greater degree than renters in the same income group; 36.5% and 13% of all moderate income and above moderate income households pay over 30% and 35%, respectively.

⁹ The overpayment percentage amounts (25-29%; 30-34%; 35% and over) are mutually exclusive categories. Summation of the three percentage figures in each overpayment category would, therefore, yield the total percent of households in each income category who pay over 25% of their income to housing.

Table 3-11
Overpayment Among Owners
(1990)

Percent of Households in Each Income¹⁰
Category Overpaying by Each Amount

Income	25-29%	30-34%	35% & Over
Less than \$10,000	4.1	0.0	80.2
\$10,000 - \$19,999	7.4	8.9	53.0
\$20,000 - \$34,999	8.3	9.5	29.1
\$35,000 - \$49,999	5.8	7.8	28.7
\$50,000 or more	12.3	9.4	13.0
All Incomes	10.4	8.8	21.0

Escalating housing costs and rental increases in Walnut Creek, together with the scaling back of the Federal Section 8 rental assistance payments program, have resulted in financial hardships for lower income residents, particularly seniors, young working families and large families with one wage earner. Some residents are able to be served by existing programs. Seniors who are paying a large proportion of their income for housing are often referred to subsidized housing or shared housing programs. Young families who cannot afford to buy a home, and who need assistance with producing the first month's rent and security deposit, are requesting temporary financial assistance from local housing groups. In some cases, it is necessary for them to move away from the cities they grew up in to live in more affordable areas. Large families, particularly those with one wage earner who is manually skilled, cannot afford the high rental costs in Walnut Creek and either live in overcrowded conditions, or move to more affordable areas. The "Housing and Implementation Programs" section includes programs which are currently operating or will be encouraged or implemented to assist each of these need areas.

Refer to Table 3-22 in the Appendix for examples of affordable rental rates and homeownership prices for Walnut Creek (based on 1993 HUD income limits).

¹⁰ The overpayment percentage amounts (25-29%; 30-34%; 35% and over) are mutually exclusive categories. Summation of the three percentage figures in each overpayment category would, therefore, yield the total percent of households in each income category who pay over 25% of their income to housing.

5. Housing Characteristicsa. Number of Housing Units

In 1990, Walnut Creek contained 29,968 year-round units. Between January 1, 1980 and April 1, 1990, 5,218 total housing units were added to the City's housing stock, including 3,517 single family units and 1,701 multifamily units.¹¹ These numbers are slightly different from the census counts taken on April 1, 1990. As of January 1994, there were 30,633 housing units in Walnut Creek.

Table 3-12
Housing Unit Changes
1980-1990

	New Construction		Annexations		Demolitions		Total Housing Units		
	Single	Multi	Single	Multi	Single	Multi	Single	Multiple	TOTAL
Jan. 1, 1980							12,505	12,245	24,750
From: 4-1-80 To: 1-1-81	128	54	142	736	(5)		265	790	1,055
From: 1-1-81 To: 1-1-82	158		2		(9)		151		151
From: 1-1-82 To: 1-1-83	21	80	222		(5)		238	80	318
From: 1-1-83 To: 1-1-84	107				(22)		85		85
From: 1-1-84 To: 1-1-85	187	34	103		(12)		278	34	312
From: 1-1-85 To: 1-1-86	374	28	17	508	(22)		369	536	905
From: 1-1-86 To: 1-1-87	213	406	591		(23)		781	406	1,187
From: 1-1-87 To: 1-1-88	147	140	2		(16)		133	140	273
From: 1-1-88 To: 1-1-89	176	90			(15)		161	90	251
From: 1-1-89 To: 1-1-90	214	286	21		(13)	(10)	201	276	477
From: 1-1-90 To: 4-1-90	56	7			(10)		46	7	53

¹¹ New construction, annexation and demolition information is obtained from the City of Walnut Creek Annual Housing Unit Report.

Table 3-13
Housing Unit Changes
1990-1992

	<u>New Construction</u>		<u>Annexations</u>		<u>Demolitions</u>		<u>Total Housing Units</u>			<u>TOTAL</u>
	Single	Multi	Single	Multi	Single	Multi	Single	Multiple		
April 1, 1990							16,022	13,946	29,968	
From: 4-1-90 To: 1-1-91	50	56	4	155	(24)		30	211	241	
From: 1-1-91 To: 1-1-92	51	253			(9)	(9)	42	244	286	
From: 1-1-92 To: 1-1-93	33	92	10		(16)		27	92	119	
From: 1-1-93 To: 1-1-94	24				(5)		19		19	
							<u>Single Family</u>	<u>Multi Family</u>	<u>Total</u>	
Jan. 1, 1994 Estimated Total Housing Units							16,140	14,493	30,633	

Source: Department of Finance Annual Summary Report

Between 1980 and 1990, the housing stock increased at an average annual rate of 2.1%. However, since 1990, the annual growth rate has been slightly slower, averaging 1.7% per year. This slow-down can be attributed in large part to the economic recession in the early 1990s which seriously curtailed activity in the housing industry throughout the state.

The State Department of Finance estimates used in the Housing Element are calculated by using the 1990 census information as a base and updating that information with data received from the City each year. The information submitted on new construction is based on the number of units completed and certified for occupancy each year.

b. Type and Tenure

Approximately half (53.3% of Walnut Creek's 1990 housing stock) consisted of single family dwellings. Duplexes, triplexes and fourplexes represented 12.7% of the total housing stock, while dwellings in structures with five or more units comprised 34% of the housing in Walnut Creek. Only 5 of the housing units were mobile homes.

In 1990, the Walnut Creek housing stock consisted of approximately 2/3 ownership units and 1/3 rental units. Condominium units represented 24.0% (7,187 units) of the year-round housing stock, with approximately 69.0% owned and 31.0% rented.

Between 1980 and December 1993 the net gain in single family and multifamily units totalled 3,635 and 2,248 respectively, bringing the current single family and multifamily totals to 16,124 (52.7%) and 14,493 (47.3%) respectively. (The 5,900 units in Rossmoor account for 41% of the multifamily housing units.) Since 1980, therefore, the City has maintained essentially the same distribution of single family and multifamily units with only a slight shift toward more multifamily units.

c. Vacancy

Vacancy rates are reported by several sources, and, while each uses a different methodology, it is useful to present the results of each for purposes of comparison.

According to the 1990 Census, the market vacancy rate in Walnut Creek (e.g. vacant units for sale or for rent) was 5.4%. Of the 1,621 vacant available units, 27.8% were ownership units and 72.2% were rental units.

The 1990 rental vacancy rate was 7.1% while the vacancy rate of ownership units was 2.3%. The following formula illustrates how Walnut Creek's market vacancy rate compares with its ideal vacancy rate defined by the Department of Housing and Community Development.

Percent of Rental Stock	Ideal Rental Vacancy Rate	Percent of Ownership Stock	Ideal Ownership Vacancy Rate	=	Ideal Vacancy Rate
(32.3%)	x 6%)	+ (67.7%)	x 2%)	=	3.3%

Walnut Creek's actual market vacancy rate of 5.4% is higher than its ideal vacancy rate. The City, also, has a slightly higher vacancy rate than that of Contra Costa County whose 1990 market vacancy rate was 5.0%.

Table 3-14
Vacancy Rate-1990

	<u>Market</u>	<u>Ideal</u>
City of Walnut Creek	5.4%	3.3%
Contra Costa County	5.0%	3.2%

In 1990, the Census reported an overall vacancy rate of all housing types of 5.4%. Units for rent comprised 47.8% of the vacant units, units for sale comprised 19.7% and other types of units comprised 36.5% of the vacant units. The condominium vacancy rate was 7.9% in 1990, and the vacancy rate of ownership condominium units was 3.6%.

d. Overcrowding

(1) Units

Overcrowded housing is defined as units with more than one inhabitant per room, excluding the kitchen and bathrooms. In 1990, the overall incidence of overcrowding in Walnut Creek was 1.6% (464 units). Of these overcrowded units, 356 (77%) were renter-occupied and 108 (23%) were owner-occupied.

The rate of overcrowding among rental units was 4%; among ownership units the overcrowding rate was 0.5%.

(2) Persons in Overcrowded Units

Overcrowding does not appear to be a major problem in Walnut Creek. Many of the new single family homes constructed contain at least three bedrooms which are suitable for larger families. New condominiums have been built with two and three bedrooms; and apartments contain studios, one and two bedroom units.

Affordability is the main issue. While larger homes are available; they are not necessarily affordable to the groups which need them the most. Housing costs and rents are higher in Walnut Creek than in some of the surrounding communities. According to Shelter, Inc. and the Contra Costa County Housing Authority, people who cannot afford to live in Walnut Creek move to other communities rather than live in crowded conditions in existing housing. The provision of larger, more affordable housing units would help to reduce overcrowding for lower income families.

e. Age

Walnut Creek's housing stock is a relatively balanced mixture of new and older structures. Approximately 50% of the City's housing is less than 20 years old. Units constructed between 1940 and 1970 represent 48% of the housing, while less than 2% of the units were built prior to 1940.

f. Condition

Walnut Creek's housing stock is in extremely good condition. According to Building Code Enforcement, approximately 75 single family homes (0.1%) show visible signs of exterior deterioration beyond routine repair and maintenance and will eventually need to be replaced. Some of these are uninhabitable or boarded up; others are currently occupied and proposed for demolition for redevelopment of the site. Most of the units identified as substandard, with the exception of a few major rehabilitation and "tear-down" candidates, require only minor repairs.

One of the programs implemented in the 1986 Housing Element was a code enforcement inspection of apartment buildings in selected sections of the Core Area. A Code Enforcement Officer was hired in April 1987 and conducted the survey through May 1988. A total of 271 buildings, containing 1,089 units were inspected. Over 600 violations were noted and almost all repairs have been remedied. Exterior repairs were needed for second level walkways, balconies, retaining walls and roofs. Interior violations included improperly installed water heaters, faulty electrical wiring and plumbing problems. Six illegal units were also detected which have subsequently been removed. A total of \$2.8 million of private funds has been spent on repairing and improving the multiple family housing stock in Walnut Creek.

g. Housing Costs and Values

(1) Ownership and Housing

According to the 1990 Census, the median housing unit value in Walnut Creek was \$289,300. Housing values in Walnut Creek were considerably higher than those in Contra Costa County, in which the overall median value was \$219,400. The 1990 median value represents a 114% increase over the 1980 median value of \$135,000 for owner-occupied single family homes. This increase is slightly lower than the 132% increase in housing prices experienced by the County from 1980-1990. Table 3-15 correlates housing unit value with monthly owner costs for owner-occupied non-condominium housing units.

Sales prices for single-family detached and condominium units have escalated considerably since 1980. In February 1993, the *San Francisco Examiner* reported that in Contra Costa County the resale of an existing three bedroom, two bath single-family

Table 3-15
Sales Prices - 1993*

City	Single-Family Residences 3 bed/2 bath (square feet)	4 bed/2 bath (square feet)	Condominium 2 bed/2 bath (square feet)
Walnut Creek	\$290,000 (1,750)	\$365,000 ^(b) (2,200)	\$200,000 (1,500)
Alamo	\$450,000 (2,300)	\$626,000 ^(a) (3,500)	\$217,000 ^(c) (1,800)
Blackhawk	\$449,000 ^(d) (2,860)	\$510,000 ^(d) (3,575)	\$285,000 ^(d) (2,089)
Concord	\$212,000 (1,700)	\$265,500 ^(b) (2,250)	\$115,000 (915)
Danville	\$335,000 (1,900)	\$430,000 (2,440)	\$236,500 (1,500)
Lafayette	\$340,000 (1,800)	\$410,000 ^(b) (2,600)	\$225,000 ^(c) (1,530)
Martinez	\$221,000 (1,600)	\$298,000 ^(b) (2,500)	\$144,950 (1,200)
Orinda	\$388,000 (1,750)	\$645,000 ^(b) (2,800)	\$389,000 (2,400)
Pittsburg	\$157,000 (1,432)	\$185,000 (1,900)	\$105,000 (900)
Pleasant Hill	\$235,000 (1,500)	\$315,000 ^(b) (2,200)	\$176,500 (1,130)
San Ramon	\$235,000 (1,450)	\$355,000 ^(a) (2,500)	\$179,000 (1,000)

(a) 4 bedroom/3 bath

(b) 4 bedroom/2 1/2 bath

(c) 2 bedroom/2 1/2 bath

(d) 3 bedroom/2 1/2 bath

* Source: Coldwell Banker Residential Real Estate Services, February 1993. Using appraisal techniques, sales prices, and other market information, the survey tracks the value of three specific residences in each community. The information shown here is based on the activity for the prior six months.

home ranged in median price from \$157,000 (Pittsburg) to \$450,000 (Alamo). The median price of a two bedroom, two bath condominium ranges in price from \$105,000 (Pittsburg) to \$389,000 (Orinda).

There is also a demand in Walnut Creek for larger, more expensive "executive" homes. Recent new construction has been meeting this demand with homes ranging in size from 3,000 to 5,000 square feet and selling for \$450,000 and more.

(2) Rental Housing

According to the 1990 census, there are 9,128 renter-occupied housing units: 611 studios; 3,509 1-bedroom; 3,679 2-bedroom; and 1,329 3+bedroom units. This represents 9.4% of the countywide rental housing stock.

In 1990 the median contract rent in Walnut Creek was \$675.¹² This rent value is approximately 10% higher than the county median contract rent figure of \$613. Walnut Creek's 1990 median contract rent represents a 126% increase over the 1980 value. The increase in the median contract rent in Walnut Creek was slightly below the comparable County increase of 131%.

Walnut Creek's 1990 rental rates are considerably higher than those reported in 1980. Although they are higher, many of the rental rates fall within the affordability range for low and moderate income households. Table 3-16 presents gross rent values correlated with number of bedrooms for renter-occupied housing units.¹³ As indicated, approximately 63% of the one-bedroom units are affordable (below \$695) to a one-person, low income family; and approximately 96% of the two-bedroom units are affordable (below \$1,258) to a two-person, moderate income family. (See Appendix, Table 3-22)

Table 3-17 provides average rental rates and rent ranges for four Contra Costa County communities. These figures are not directly comparable to census data because the sample is small and represents the rent amount asking and not the actual rent paid. Compared with nearby communities in the county, Walnut Creek's rental rates are generally higher than those in Concord, Pleasant Hill or Martinez and generally somewhat lower than those in Danville or San Ramon.

¹² Contract rent is defined as the rent asked for the unit, while gross rent includes contract rent plus any payments for utilities, maintenance, etc.

¹³ Gross rent includes contract rent plus any payments for utilities, maintenance, etc.

Table 3-16
Gross Rent By No. of Bedrooms (1990)

Gross Rent (\$)	<u>No. of Bedrooms</u>					Total
	0	1	2	3+		
Less than \$200	8	78	83	34	86	
\$200 - \$299	16	27	17	0	60	
\$300 - \$499	33	209	106	20	368	
\$500 - \$749	384	2,423	1,777	35	4,619	
\$750 - \$999	16	550	1,534	350	2,450	
\$1,000 or more	<u>154</u>	<u>222</u>	<u>162</u>	<u>890</u>	<u>1,428</u>	
TOTAL	611	3,509	3,679	1,329	9,128	

Table 3-17
Average Rental Rates (September 1992)*

No. of Bedrooms	Walnut Creek	Concord	Pleasant Hill	Martinez
Apartments				
0	622	527	568	627
1	721	592	669	643
2	807	674	748	724
3	947	850	864	—
Condos/ Townhouses				
1	700	546	668	—
2	781	719	820	822
3	1,575	940	1,135	1,103
Single Family Detached				
2	980	815	859	806
3	1,264	936	1,180	1,063
4	1,611	1,295	1,294	1,103

* Derived from rental listings in local newspaper, Home Finders of Pleasant Hill and Coldwell Banker

6. Existing Housing Inventory

a. Single Family vs. Multiple Family Housing

The State Department of Finance estimates that as of January 1, 1994 the City of Walnut Creek contains 30,633 dwelling units. Of this total, 16,124 are single family dwellings and 14,493 are multiple family units, and there are 16 mobile homes (the 1990 census identified 5 mobile homes).

At present, there are approximately 5,900 multifamily housing units constructed in Rossmoor. These units account for 41% of the total number of multiple family units in the City. Since Rossmoor is a fairly large, senior citizen retirement community, it skews the percentages of multifamily and single family housing statistics. Without Rossmoor, there is a total of 24,733 dwelling units in the City (16,124 single family and 8,501 multiple family). The percentage of multifamily is reduced to 35%.

b. Senior Citizen Housing

Walnut Creek has a high proportion of senior housing. At present, Rossmoor accounts for 19.3% of the City's housing stock. With the other senior housing projects listed below, plus completion of the Rossmoor Community Master Plan, 25% to 30% of Walnut Creek's housing stock will be senior citizen housing.

There are a variety of housing opportunities for senior citizens in Walnut Creek. These can be categorized as independent housing or non-assisted housing; semi-independent or assisted housing; and skilled nursing facilities.

(1) Independent or Non-Assisted Housing

Seniors who are healthy and do not require any type of medical assistance usually reside in their own homes or may live with relatives or friends. They live in housing available to anyone in the market place including single family homes, multiple-family units, apartment, or mobile homes.

Although there is no information in the Census regarding how many seniors are living independently in their own homes, recent articles on the subject estimate that, on a national average, approximately one-third of seniors over age 65 live in their own homes.

Housing for the elderly also includes residential developments specifically designed for senior citizens and restricted to certain ages (usually 55, 60, or 62). The housing is usually required to be self contained and physically accessible to elderly citizens. The following housing is available in Walnut Creek to seniors in this group:

Rossmoor Retirement Community
Maximum 7,332 dwelling units

Del Valle School Site
Corner of Rossmoor Parkway and Tice Creek Drive
37 townhouse condominiums constructed
44 townhouse condominiums (approved; not yet
constructed)

Heritage Pointe Senior Housing
1875 Shuey Avenue
147 apartments
(includes 38 low & moderate income units)

Tice Oaks
2150 Tice Valley Road
91 low income apartments (HUD, Sec. 8)

Carmel Pines
1770 Carmel Drive
50 low income apartments

Casa Montego
1485 Montego
80 low income apartments (HUD, Sec. 202, Sec. 8)

Some seniors prefer **Congregate Living Facilities** which are described as individual apartments with cooking facilities, central dining and social activity areas. At least one meal a day is provided as well as planned recreational and social activities, transportation services and linen-maid services. Typical residents of this housing type are persons capable of independent living, who are ambulatory and do not require any nursing care, or handicapped persons living in units designed for their use.

Kensington Place
1580 Geary Road
180 independent living units
(includes 36 low and moderate income units)

Montego Heights Lodge
1400 Montego
112 independent living units
88 assisted living units

Valley View Lodge at Rossmoor
1228 Rossmoor Parkway
31 independent living units
94 assisted living units

The Waterford
Corner of Rossmoor Parkway and Tice Creek Drive
300 independent living units (condominiums)

(2) Semi-Independent Housing or Assisted Housing

Assisted housing units, sometimes called rest homes or residential care facilities, are similar to apartments but include special support services such as central dining, transportation service, and limited medical or nursing care. Older citizens living in such housing generally desire privacy and independence and only need limited support services.

Walnut Creek has several Residential Care Facilities to meet the needs of the less independent seniors. These facilities are licensed by the State Department of Social Services. State law considers residential care facilities which serve 6 or fewer persons a residential use of property which cannot be regulated by local governments. As of September 1992, Walnut Creek contained 34 facilities; 27 in the incorporated City of Walnut Creek and 7 within the Sphere of Influence.

Residential Care Facilities which serve seven or more elderly residents are permitted with the granting of a Conditional Use Permit. The following facilities were established in Walnut Creek as of September 1992:

Carnelian No. 1 (County)
2380 Warren Road
Capacity: 15 beds

Carnelian No. 2 (County)
170 Flora Avenue
Capacity: 9 beds

Embassy House
1315 Mt. Pisgah Road
Capacity: 32 beds

Walnut Creek Alzheimer's & Dementia Care Center
1515 Geary Road
Capacity: 65 beds

Harmony Home
1621 Third Avenue
Capacity: 22 beds

San Miguel
1866 San Miguel Drive
Capacity: 56 beds
(approved, not yet constructed)

(3) Skilled Nursing Facilities

Housing is also available for seniors with long-term illnesses who are unable to care for themselves. Life-care facilities, nursing homes, and skilled-care facilities are designed for older persons who need a wide range of health and support services, including personal nursing care. The distinctive feature of these types of residences is on-site health care, enabling residents to receive needed medical care without leaving the supportive environment. **Skilled Nursing Facilities** are licensed by the State Department of Health. There are five skilled nursing facilities in Walnut Creek and another two under construction:

Manor Care Nursing Home
East End Rossmoor Parkway
155 beds

Manor Care Nursing Home
Corner of Rossmoor Parkway and Tice Creek Drive
120 beds
(approved; not yet constructed)

Rossmoor Manor
1224 Rossmoor Parkway
180 beds

San Marco Convalescent Hospital
130 Tampico Street
128 beds

Walnut Creek Convalescent Hospital
2015 Mt. Diablo Boulevard
93 beds

Ygnacio Convalescent Hospital
1449 Ygnacio Valley Road
99 beds

Elm Manor Convalescent Hospital
1310 Creekside Drive
42 beds

c. Affordable Housing

(1) Rental Housing

Walnut Creek has affordable rental housing units scattered throughout the City. Some are in specific buildings constructed for this purpose; others are density bonus units in market-rate apartments.

Following is a list of the low and moderate income housing units specifically allocated for seniors. The City monitors the rents in these projects to ensure that they remain affordable. (Some of this information appeared earlier in this section.)

Heritage Pointe Senior Housing (density bonus)	19 low 19 moderate
Tice Oaks (CHFA & Section 8)	91 low
Carmel Pines (State Section 8)	50 low
Casa Montego (HUD, Sec. 202, Section 8)	80 low
Kensington Place (density bonus)	18 low 18 moderate

The following low and moderate income units are non-age restricted:

Park Place (FAR density bonus)	2 low
Four Seasons (Bond financing)	36 low

(2) **Housing for First Time Homebuyers**

The City has assisted with the purchase of four townhouses affordable to 4 low-income, first time homebuyers. Long-term affordable is guaranteed through deed restrictions on the property.

The City has also assisted with the purchase of land for eight single family homes on an infill site. Two of the homes will be constructed by low-income families under Habitat for Humanity's sweat equity program. The remaining six homes will be sold at market rates. Construction is expected to begin in Spring 1994.

d. **Section 8 Rental Assistance Payments Program**

There are 124 Section 8 voucher and certificate holders in Walnut Creek. Seventy-five are allocated to senior citizens, including 13 persons with disabilities, and 49 are for families.

e. Senior Lifetime Leases

The Condominium Conversion Ordinance requires that any person age 60 or older be offered a Lifetime Lease when apartment units are converted to condominiums. At present there are 56 seniors protected under this lease arrangement:

- (3) Shadow Oaks, N. Civic Drive
- (5) Castlewood, 1160 Lincoln Ave.
- (48) The Keys, N. Civic Drive

C. INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT

Government Code Section 65583(a)(3) requires that the Housing Element include an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment. It must also include an analysis of the relationship of zoning and public facilities and services to these sites.

1. Availability of Land

The City of Walnut Creek is relatively built out, with a limited amount of vacant land for new development. Over the past several years, most of the new housing has been constructed in Rossmoor consistent with the phased master plan approved in 1977 or on subdivided, "underutilized" parcels. New construction in the unincorporated areas has been on larger parcels of vacant land, or on partially developed sites which have been redeveloped to higher densities.

Underutilized parcels are lots that are zoned for a higher residential density than the development that currently exists on the site and have the potential for redevelopment. For example, there are some areas in the City that are zoned for higher density multifamily housing, but are developed with single family dwellings, such as in the Alma Avenue specific plan area. If these lots were redeveloped at the current land use density, more units could be developed on the site.

It should be noted that while the potential for density increases exists in several areas, not all property owners redevelop their property, or develop it to the maximum density permitted. Many of the subdividers of infill sites over the past several years have not constructed to the maximum density permitted under the General Plan, or, at times, the zoning because of site constraints or other considerations, such as building scale and design. An overall analysis of development over the past several years has indicated that most of the new residential projects were developed closer to the mid-point of the General Plan density range.

Tables 3-18 and 3-19 show the residential buildout potential according to the land uses designated on the General Plan Land Use Map. This analysis assumes that all parcels with development potential will build out at the midpoint of the General Plan density range assigned by the City of Walnut Creek.

a. Planning Area

As shown in Table 3-18 the available vacant land designated for residential development in the unincorporated portion of the Planning Area is 894 acres, which would yield approximately 879 single family homes and 341 multiple family units.

There is approximately 3,000 acres of land that could be more intensely developed. If these properties were redeveloped, there would be an additional 1,046 single family homes, and 1,002 multifamily units.

b. City of Walnut Creek

The amount of vacant land in the City is very limited. Table 3-19 shows that there are 339 acres which could yield 254 units and 199 acres for the development of 1,652 multifamily housing units. The major portion of the vacant land available for multifamily housing is in Rossmoor (168 acres for 1,161 dwelling units).

Approximately 7,203 acres of land is considered partially developed. If developed at the mid-point of the General Plan range, approximately 894 single family homes and 2,293 multiple family dwelling units could be added to the City's housing stock.

2. Sites Having Potential for Redevelopment

While there are no sites in Walnut Creek large enough to accommodate big residential projects, there is a sufficient amount of land to build additional housing, particularly on underdeveloped parcels. Most of the housing constructed over the past several years has been on these underdeveloped sites.

The General Plan land use designations on several parcels have been changed to provide additional housing opportunities in the northern part of the City and in the Core Area. Most of the zoning in the City is consistent with the General Plan designations, although some parcels have to be rezoned to a higher density to achieve buildout potential.

Table 3-20 identifies sites which can accommodate more than 10 single family homes, or 22 multiple family housing units. The remainder of the sites are small in size, or designated a lower density and will produce a lower yield.

Table 3-18
Unincorporated Land in Planning Area
Residential Buildout

Land Use	Existing D.U.	Vacant Land Acres	Vacant Buildout	Underutil. Land Acres	Underutil. Buildout	Total Acres	Total D.U.
SFVL (.1-1 du/ac)	244	375.69	198	539.87	77	915.56	519
SFL (1-3 du/ac)	3377	228.67	426	1997.9	645	2226.57	4448
SFM (3-6 du/ac)	1355	17.6	74	404.76	324	422.36	1753
OS/A (.1 du/ac)	0	254.8	181	0	0	254.8	181
Subtotal	4976	876.76	879	2942.53	1046	3819.29	6901
MFL (6-14 du/ac)	75	4.02	40	10.25	32	14.27	147
MFM (14-22 du/ac)	484	9.55	171	37.5	331	47.05	986
MFMH (22-30 du/ac)	94	0.68	17	10.53	106	11.21	217
MFVH (30-50 du/ac)	948	2.94	113	30.58	533	33.52	1594
MFSH (50-100 du/ac)	0	0	0	0	0	0	0
Subtotal	1601	17.19	341	88.86	1002	106.05	2944

Table 3-19
City of Walnut Creek
Residential Buildout

Land Use	Existing D.U.	Vacant Land Acres	Vacant Buildout	Underutil. Land Acres	Underutil. Buildout	Total Acres	Total D.U.
SFVL (.1-1 du/ac)	62	42.07	16	86.6	0	128.67	78
SFL (1-3 du/ac)	2324	49.89	87	1356.51	163	1406.4	2574
SFM (3-6 du/ac)*	9064	31.5	131	2638.41	731	2669.91	9926
OS/A (.1 du/ac)	0	216.4	20	0	0	216.4	20
Subtotal	11450	339.86	254	4081.52	894	4421.38	12598
MFL (6-14 du/ac)**	4186	19.72	195	668.19	522	687.91	4903
MFM (14-22 du/ac)	1670	1.15	19	108.05	275	109.2	1964
MFMH (22-30 du/ac)	1666	6.18	160	66.52	106	72.7	1932
MFVH (30-50 du/ac)	4710	3.67	117	155.33	1077	159	5904
MFSH (50-100 du/ac)	252	0	0	4.88	179	4.88	431
Rossmoor***	5891	168	1161	2101.98	0	2269.98	7052
Mixed Use	132	.29	0	16.56	134	16.85	266
Subtotal	18507	199.01	1652	3121.51	2293	3320.52	22452

* Rossmoor (P-D 1483) totaled in its own category below MFSH.

** Includes Del Valle (P-D 1668) at the midpoint of the General Plan range.

*** The acreage in the Vacant Land column is for Neighborhoods 4 and 9.

Table 3-20
Residential Building Sites

<u>Location/Parcel No.</u>	<u>General Plan Density</u>	<u>No. Dwelling Units</u>
Newhall North, Ygnacio Valley Rd. 134-091-001, 002, 005	OS/A (.1-1)	21
1500 Bancroft Road 143-030-025	SFM (3-6)	52
2017 Larkey Lane 171-020-021	SFM (3-6)	16
2637 Larkey Lane 171-150-001	SFM (3-6)	10
260 North Gate Road 135-081-026	SFM (3-6)	23
400 Montecillo Dr. 184-360-015	SFL (1-3)	24
3073 N. Main St. 170-100-029	MFMH (22-30)	36* ¹⁴
1355 Walden Road 173-020-043	MFVH (30-50)	30*
1431 Creekside Dr. 183-072-005	MFVH (30-50)	29*
1275 Newell E. 183-260-027	MFMH (22-30)	134*
Alma Ave. Specific Plan	MFSH (50-100)	179*
Golden Triangle BART Station	MU ¹⁵	134*
Del Valle High School	MFL (6-14)	44
Rossmoor Planned Development	SFM (3-6)	1,161

* All or a part of the site may be suitable for lower income units

¹⁴ Approved for 36 units: 7 very low; 29 low income units

¹⁵ No assigned density in Mixed Use

3. Public Facilities and Services

Agencies responsible for storm drainage, sewer, water and schools have indicated the ability to service any new development within the City of Walnut Creek. The East Bay Municipal Utility District (EBMUD) has indicated that it has adequate water supply until year 2005, but will surpass its "safe yield" limit by the end of the 1990s.

Roadway capacity, however, is limited and will have an effect on the rate and the amount of new development. Many of the roadways are close to, or at, capacity and may not be able to accommodate traffic that would be generated by new development. To minimize the increase of traffic congestion in the City, the Growth Limitation Plan will limit commercial development to 750,000 square feet, and residential development to 2,550 units until the year 2003.

New development in the unincorporated areas is not subject to the provisions of the City's Growth Limitation Plan. Some development in these areas, however, is restricted by the availability of municipal services, particularly water and sewer services in the OS/A, Open Space Agriculture District.

D. GOVERNMENTAL CONSTRAINTS

Government Code Section 65583(a)(4) requires that the Housing Element include an analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes, and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures.

Local governments are empowered with the authority to regulate, among other things, the location, density, timing, and type of residential development which occurs in their jurisdiction. This authority is exerted in several ways, from controlling land uses through zoning to levying development fees and exactions to pay for municipal improvements. While intended to protect the interests of residents, local regulations can have effects which present potential barriers to the production of housing.

Housing production in Walnut Creek may be affected by three governmental actions: Article 34 provisions, the Building Height Freeze Initiative (Measure A), and the City's Growth Limitation Plan.

1. Article 34

Article 34 of the State Constitution requires that a local government obtain voter approval before developing, constructing or acquiring low-rent housing. In 1978 the City held an election and asked the residents to vote on the following question:

"ASSISTED HOUSING FOR THE ELDERLY AND HANDICAPPED. Do the voters of the City of Walnut Creek approve development, construction, and/or acquisition in the City of assisted housing for the elderly and handicapped, not to exceed 200 dwelling units. Sites for these projects must be approved by the City Council at a public hearing."

To date, 91 units at Tice Oaks have been constructed under this allocation. There are still 109 units available for the construction of housing units for seniors and people with disabilities. Article 34, however, does limit the City's ability to provide housing for families and other identified need groups which is owned and operated by a public agency, including the City.

2. **Measure A. Building Height Freeze Initiative**

On March 12, 1985 the voters of the City of Walnut Creek approved the Building Height Freeze Initiative as follows:

- (a) *The building height limitation in the Zoning Ordinance shall not be raised without the approval of the electorate.*
- (b) *No use permits to exceed the basic building height limitations of a land use district shall be granted.*
- (c) *No permit shall be issued to construct a building over six stories in height without the approval of the electorate.*

The Initiative freezes the maximum height that was permitted on each parcel at the time of the election. Single family housing is permitted to be constructed up to 25 feet (29 feet for some roof designs). The height limit in most Multifamily zoning districts is 30 feet, with the highest density zoning district allowing 50 feet.

Measure A is not likely to have a major effect on the production of housing under the current zoning designations. If the zoning on a parcel is changed from single family to multifamily, the higher density project must be consistent with the single family height limit that was in place in March 1985. The difference between 25 feet and 30 feet is not enough to have a major impact on housing production in the City.

In areas where commercial land uses have been changed to residential designations, the new housing can be produced to the height that was in place under the commercial zoning. This would fit with the pattern of development in the Core Area where most of the land use changes were made.

The height freeze, however, could affect the density yield on parcels which are currently zoned a lower density Multifamily if they are to be rezoned to M-H, Multifamily High since the difference between the height limits is 20 feet (from 30 to 50 feet). The City does not anticipate requests for this higher density rezoning over the life of this plan.

3. **Growth Limitation Plan**

On July 27, 1993 the City Council adopted a revised Growth Limitation Subelement of the General Plan. The major components of the Growth Limitation Plan (GLP) are explained below. The details of the GLP are described in Chapter 2 of the General Plan and the Implementing Regulations adopted on October 26, 1993.

The Growth Limitation Plan limits commercial and residential development for ten years. Until the year 2003, a maximum of 750,000 square feet of commercial development, and 2,550 dwelling units are permitted to be constructed in the City of Walnut Creek.

All new development projects must meet project-specific performance standards for storm drainage, sewer, water and schools; Citywide performance standards for administration facilities, libraries, police, fire, and parks; and be evaluated against roadway level of service standards.

New development projects are evaluated by their impacts on affected roadway intersection service levels. If all affected intersections meet acceptable levels, the development is allowed to be built up to the General Plan density or zoning.

If an affected intersection does not meet or maintain acceptable levels, then the size of the development is determined under the Traffic Weighted Point System. (The Traffic Weighted Point System is a method of selecting projects on a 100 point scale where points are deducted based on the number of net new p.m. peak hour trips generated by a project, and are credited for meeting certain development objectives.)

Residential projects must achieve a minimum score of 85 under the Traffic Weighted Point System. Maximum sizes of residential projects are as follows:

Single Family	55 units
Multifamily	67 units
Retirement Community	200 units

The Growth Limitation Plan includes exemptions for certain residential projects (refer to Policies 23 and 24, pages 3-14 and 3-15). Replacement housing constructed in the Golden Triangle, housing which includes a specified affordability component, and housing in close proximity to BART are exempt from the roadway level of service standards.

The Growth Limitation Plan is not likely to significantly affect the City's ability to produce housing. The residential limit of 2,550 dwelling units over ten years is consistent with ABAG's projections for Walnut Creek if the unincorporated areas within the Sphere of Influence are not counted. Furthermore, the residential cap will be reviewed when the Housing Element is updated to ensure that the City can realistically address its regional fair share housing allocation.

The exempt project sizes will fit on most parcels in the City. For larger developments, the projects may be phased so that a portion of a project is built within one two-year development cycle, and another phase can be constructed in the next two-year development cycle up to the maximum permitted under the zoning or General Plan.

Affordable housing is encouraged under the GLP. Exempting residential projects which include an affordability component from the roadway level of service standards will allow maximum development potential, consistent with General Plan and zoning densities, while increasing the City's affordable housing stock.

E. NON-GOVERNMENTAL CONSTRAINTS

Government Code Section 65583(a)(5) requires that the Housing Element include an analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

While local government actions can have a significant effect on the production of housing, there are several market related factors, acting independently and beyond a local government's immediate control, which may pose barriers to housing production.

The inventory of non-governmental constraints can be separated into two groups: those that increase housing cost to the consumer and those factors that reduce or slow down housing development. In the first category are financing, land prices and construction costs. In the second category are community opposition to high density housing, possible lack of infrastructure capacity and competition of different land uses for undeveloped land.

1. Market Constraints

While local government actions can have a significant effect on the production of housing, there are several market related factors, acting independently and beyond a local government's immediate control, which may pose barriers to housing production. These economic constraints are the cost of land for residential development, the cost of construction materials and labor, and the cost of financing.

a. Land Costs

The cost of land is one housing constraint where local government actions and market forces are closely interrelated.

Land prices in Walnut Creek depend on a number of factors, including: proximity to BART, the freeway, and downtown office developments; the allowable density and type of residential development, suitable for the lot; the presence of services and utilities; the quality of the school district in which the parcel is located; and the quality of nearby existing development. Because the City is relatively built out there is not an abundant supply of undeveloped land, a factor which pushes up prices further. However, due to the recent economic recession, land costs in Walnut Creek have stabilized over the past few years.

Walnut Creek's tight land market is evidenced by the relatively few land parcels listed for sale. According to local realtors, in 1992 a typical half-acre lot in a desirable, single family neighborhood ranges in price from \$125,000 to \$225,000. Land zoned for higher densities are listed for much higher depending on the size and proximity to certain city amenities. For example, a 1.8 acre parcel situated near BART listed for \$1,735,500 in 1988.

b. Construction Costs

An ongoing survey of construction costs conducted by the International Conference of Building Officials reveals that materials and labor costs are continually increasing. In June 1992, the per square foot construction cost of a typical, three-bedroom/ two-bathroom, standard quality, single family home was \$83.62.

c. Financing Costs

The cost of borrowing money to finance the construction of housing or to purchase a home has a large impact on the amount of affordable priced housing produced and subsequently purchased in a community. Fluctuating interest rates can eliminate many potential homebuyers from the housing market or render infeasible a housing project which, at lower interest rates, could have been successfully marketed.

According to local financial institutions and non-profit agencies, financing is generally available in Walnut Creek for new construction and rehabilitation loans. As mentioned previously, it is the limited amount of available land in this area which increases the cost of building. To make a project economically feasible, it is often necessary to maximize the density to lower

the unit cost. With current density limitations, this is not always possible. While developers can obtain financing to build, they prefer to construct higher cost housing where they can recoup the high cost of the land.

Even with these financial constraints, the housing market in Walnut Creek is quite active. Current prevailing interest rates for conventional single family mortgages are 7.8%, assuming a 30-year loan with an 80% loan to value ratio. These rates represent a noticeable decline from the mid-1984 rates of 14.5% for comparable loans.

Rental housing costs are also affected by higher interest rates, because, presumably, the owner will pass added costs directly to the tenant in the form of higher contract rents.

2. Community Sentiment

Community attitudes toward housing play an important role in determining the availability of housing affordable to all income levels. While most residents would concur that housing should be available to all economic segments of the community, occasionally there is opposition to housing for low and moderate income households. However, Walnut Creek residents are generally supportive of measures to promote affordable housing opportunities, and the City itself is sensitive in its choice of projects, policies, and programs which most effectively achieve that goal.

F. SPECIAL HOUSING NEEDS

Government Code Section 65583(a)(6) requires that the Housing Element include an analysis of any special housing needs, including those of the following population groups:

1. Low Income Households

In 1990 36% (10,203) of Walnut Creek's households were low income, that is, their household incomes were below 80% of the county median income of \$33,920. Almost half (42.1%) of these low income households were in the very low income category, earning less than 50% of the county household median income.

If these households devoted no more than 25% of their monthly income to housing, the maximum monthly payment would be \$707. According to 1990 Census data, 54.4% of all renters paid over \$707 per month for rent. Of the City's owner households, 40.2% of all owners paid over 25% of their income toward monthly housing payments.

Providing an adequate supply of low cost housing affordable to lower income households is a critical issue to which City housing policy should be addressed.

2. Moderate Income Households

Moderate income households earning between 80% and 120% of the county median income represented 19.3% (5,466) of all households in Walnut Creek in 1990. Assuming that moderate income households can afford to devote up to 30% of their income for housing, the maximum monthly payment would be \$1,052. This amount, however, would pay for the monthly costs of a home priced at only \$149,000 (assuming a 7.5% interest rate and a 10% down payment), considerably less than the 1990 median housing unit value of \$289,300.

Because the value of median priced housing has risen at a disproportionately faster rate than median income levels, fewer moderate income households, many of whom are first-time homebuyers, are able to afford moderately priced homes. City housing policy should reflect the affordable housing needs of moderate income households in Walnut Creek.

3. Female-Headed Families with Children

According to the 1990 Census, 1,597 female-headed families resided in Walnut Creek, 49.5% (791) of which included children under age 18. Female-headed families comprised 13.7% of all families with children in Walnut Creek.

Female-headed families in poverty represented 34.7% of all female-headed families and 25.6% of all families with children in poverty.

According to the local housing authorities, not many female-headed families with children can afford to live by themselves in Walnut Creek, due to the high rental and housing costs, unless they have well-paying professional jobs. Those who do not have the skills to adequately support themselves will either share housing or move to another community where housing is more affordable. An increase in the number of affordable family housing units will provide more opportunities for female-headed households.

4. Elderly Persons

Persons age 60 and older represent a significant share of Walnut Creek's total population (27.8%). Within this age group, 39.8% are age 60 to 69, 36.2% are age 70 to 79, and 24.0% are age 80 and older. In 1990, elderly persons in poverty (60 years and older) represented 30.0% of all persons in poverty and 4.2% of all elderly persons.

The special needs of the elderly are not only financial. Recent studies have shown that seniors are living longer and as they age require some form of assisted living care when they are no longer able to, or wish to, live independently. To address these needs housing for seniors is changing and we now see more congregate living, residential care, and skilled nursing facilities. These senior housing facilities will be discussed in more detail in the Existing Housing and Housing Programs sections.

5. People with Disabilities

1990 Census data indicate that approximately 9.2% (4,730) of the City's population over age 15 had a disability which prevented those persons from using public transportation. The majority (61.1%) of the disabled population was 65 years or older. Elderly persons with a public transportation disability represent 22.0% of the City's elderly population, while disabled persons age 16 to 64 account for 4.9% of all persons in this age group.

The special housing needs of the people with disabilities are accessible and usable housing units, housing within convenient access of services, and special design features to mitigate the disability. State Law requires handicap provisions in all rental apartment units. All recent construction has incorporated these provisions. Casa Montego and Kensington Place, two recently constructed senior housing projects, have designated units in each project specifically for disabled tenants and have modified these units accordingly. To increase the number of units available to the disabled, the City will continue to recommend, when appropriate, that some multiple family housing units be equipped for the disabled during project approval.

6. Large Families

A family with five or more persons is considered a large family. In 1990 there were 1,340 persons in large families, 4.7% of the total number of households.

According to Shelter, Inc., there are several large families in the area who are described as "borderline eviction." The principal wage earner is usually manually skilled and can barely afford the high cost of renting a home. Often large families live in older housing in overcrowded conditions, or they relocate to other more affordable areas.

It is recognized that Walnut Creek needs more affordable housing for all families, including large families, and programs are included in the plan to address this need.

7. Persons Requiring Temporary Shelter

Identifying the homeless and persons requiring temporary shelter is somewhat difficult in Central Costa County because of the deficiency of shelters. Most of the information collected regarding the homeless is gathered at these shelters, or other places the homeless congregate. Since that information is not available, other sources of information have been used in an attempt to describe the needs of those requiring temporary shelter.

The 1990 Census counted a total of seven homeless persons in Walnut Creek. All of these were homeless persons visible near streets.

Between January 1, 1992 and September 30, 1992, Shelter, Inc. received 63 inquiries from individuals and families in Walnut Creek for rental assistance. While reports on the number of people who actually received funds were not available, it is generally assumed that if these people did not receive assistance, they would have to move out of their homes and relocate to another area or become homeless.

According to the Walnut Creek Police Department, there are 10 to 20 homeless people living in Walnut Creek. Most are men ranging in age from 25 to 55 years old. Ten of the men are well-known to the police and have expressed a preference for the lifestyle they have chosen; i.e., when offered assistance in the past, they have refused. Others, on occasion, need assistance and are either helped by the police or are directed to the closest Salvation Army facility.

During 1990-91, Walnut Creek hosted one of the County's three homeless shelters at the former Siemen's Medical Lab site for six months. This facility provided shelter to a total of 700 homeless persons throughout the County, of this total 25 homeless persons were from Walnut Creek (according to Shelter, Inc.).

In 1991 and 1992, the Contra Costa County Housing Authority received funding from the City's Community Development Block Grant (CDBG) program for the Central County Homeless Shelter. Walnut Creek's total funding for the Central County Homeless Shelter is \$100,000 (\$50,000 from 1991-92 grant and \$50,000 from 1992-93 grant). The total project cost is \$650,000. The other fund sources are the State Emergency Shelter Program, the Federal Emergency Shelter Grant, County CDBG, City of Concord CDBG, and Antioch CDBG.

A specific site for the Central County Homeless Shelter has recently been acquired. This facility, when opened, will target the homeless single population who are from Central and East Contra Costa County.

It is anticipated that roughly 10% of the homeless sheltered over the past winter have families and/or prior residences from the Walnut Creek area. The estimate is that the proposed project will provide emergency shelter services to 50-100 Walnut Creek "residents" over the course of a year.

The City also contributes a portion of its Community Development Block Grant (CDBG) entitlement to assist agencies such as Shelter, Inc. in their efforts to assist the homeless. For the past five years the City has provided funding to Shelter, Inc. Last year the funding provided by the City was used to administer the homeless assistance, fair housing and landlord/tenant counseling programs.

CDBG funds are also contributed to the Battered Women's Alternatives program which assists women and children in a crises situation to find temporary housing. Battered Women's Alternatives places women in safe homes for up to three days, or houses them in a shelter in Concord. During FY 1991-92 the City provided \$3,000 for

driveway repair. During FY 1992-93 the City provided \$12,000 for social services including rehabilitation of the shelter, addition of a bedroom and a bathroom at the shelter to relieve overcrowding, and purchase of new heaters.

There are a number of private organizations in the area (churches, CARE, the Salvation Army) which provide temporary shelter to homeless persons. During the cold weather shelter is provided for up to 70 people per night in the Concord Armory, which is sufficient for the number of people currently using the facility. Although these organizations do not operate permanent facilities to temporarily house people, they do arrange overnight lodging in local motels which have agreed to participate. According to the shelter organizations contacted, the degree of assistance they provide varies. These organizations estimated that they assist in temporarily housing from two to three persons per month to two to three persons per week.

8. Persons Displaced as a Result of Public Activities

Several public works projects will be carried out over the next 10 years. The major project affecting the City will be Caltrans' I680/SR24 freeway widening improvements. It is estimated that 123 housing units will be affected. Fifty single family homes, 18 duplex units, six triplex units, and four apartment buildings containing 49 units have been acquired by Caltrans.

Caltrans offers relocation assistance to those households affected by the improvements. The agency offers help with looking for replacement homes and financing the moves.

Homes purchased by Caltrans are offered for sale on the open market. Interested parties could purchase these homes and relocate them to vacant lots. The City should work with Caltrans to encourage the relocation of structurally sound homes.

Construction of the South Broadway extension will require the acquisition of one home. The City will provide relocation assistance to that homeowner.

9. Farmworkers

State law requires analysis of the special needs of farmworkers. Walnut Creek does not contain any land which is currently used for agricultural purposes, other than some land to the east which is used for grazing. Farming is not carried out here; no farmworkers appeared on the 1990 census, and, to the best of our knowledge, there are no farmworkers in Walnut Creek who require special housing assistance.

G. OPPORTUNITIES FOR ENERGY CONSERVATION

Government Code Section 65583(a)(7) requires that the Housing Element include an analysis of opportunities for energy conservation with respect to residential development. Rapidly rising energy costs over the past decade have focused attention on the patterns of energy consumption and the opportunities for energy conservation in all sectors of society. Residential related energy use is one area where opportunities for modifying energy consumption exist. Once considered an insignificant factor of housing costs, the energy needed to fuel residential heating and cooling systems and household appliances is consuming and increasing share of a household's income devoted to housing expenses.

Rapidly rising energy costs over the past decade have focused attention on the patterns of energy consumption and the opportunities for energy conservation in all sectors of society. Residential-related energy use is one area where opportunities for modifying energy consumption exist, and state law requires jurisdictions to address this opportunity in the housing element.

1. Energy Costs

Once considered an insignificant factor of housing costs, the energy needed to fuel residential heating and cooling systems and household appliances is consuming an increasing share of a household's income devoted to housing expenses.

2. Opportunities For Energy Conservation

Recognizing the potential for saving through energy conservation techniques, the California Energy Commission developed standards for new residential construction and additions to existing dwellings. These regulations are contained in Title 24 (State Building Standards Code) of the California Administrative Code.

The City of Walnut Creek currently enforces the State Energy Conservation Standards. In addition to the Mandatory Features and Devices which all new construction must include, the regulations establish minimum levels of wall, ceiling, and floor insulation, maximum glazing area, minimum glazing U-values (e.g. single, double, or triple glazing), and minimum space conditioning and water heating system efficiencies. Credit for thermal mass, shading, infiltration control, and solar space and water heating is also considered.

Additionally, the Walnut Creek Subdivision Ordinance provides guidelines for the design of subdivisions to allow for future solar heating and cooling opportunities. These opportunities include the design of lot size and configuration to permit building orientation in an east-west alignment to maximize southern exposure or to take advantage of shade features or prevailing breezes.

H. HOUSING DEVELOPMENTS THAT ARE ELIGIBLE TO CHANGE TO NON-LOW-INCOME HOUSING USES

Government Code Section 65583(a)(8) enacted in 1989 (SB 1282) requires that the Housing Element include an analysis of existing assisted housing developments that are eligible to change from low income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions. The Housing Element must identify all federal, state and local subsidized housing in the city, note when the subsidies expire and determine the cost of replacing that housing.

In the 1960s the federal government provided low-interest loans and rent subsidies through various programs administered by the Federal Housing and Urban Development Department (HUD) and the Farmers Home Administration (FHA). In return, private developers/owners agreed to build or operate rental projects which were protected by 40-year low income use restrictions. In order to stimulate private participation, the owners were given the option to terminate their contracts prior to the loan maturity dates. As owners exercise their options, the units may be sold or converted to market-rate units. In many cases the tenants are displaced and the inventory available to lower-income rental units declines.

A review of low income units which may convert to market rate was conducted. According to the California Housing Partnership Corporation, there are no federally subsidized low-income rental units at risk of converting within the 10-year time period covered by this legislation. There is, however, one project which was developed with multifamily mortgage revenue bonds which may be eligible to convert in 1997, within the second five year time period covered by this legislation (1996-2000).

1. Units at Risk of Losing Use Restrictions in Walnut Creek

Name and address of property:	Four Seasons Apartments 1357 Creekside Drive Walnut Creek, CA 94596
Name and address of property owner:	Davidon Homes 1600 South Main Street Suite 150 Walnut Creek, CA 94596
Type of Governmental Assistance Received:	Variable Rate Demand Multifamily Mortgage Revenue Bonds 1985 Issue A
Issuance Date:	April 29, 1985
Principal Amount of Issuance:	\$11,500,000
Earliest possible change from low income use:	June 1, 1997 (10 years after 50% of the dwelling units are occupied)

Total number of low income units that could be lost: 36 low income units (Non age-restricted)

2. Inventory Findings

Four Seasons Apartments (formerly Creekside Apartments) was built in June 1986. The multifamily rental project was constructed with 176 units: 140 market rate and 36 low income units (rent not to exceed 30% of 75% of median income). Multifamily Mortgage Revenue Bonds were issued by the City of Walnut Creek on April 29, 1985 to assist with the costs of project construction.

According to the Regulatory Agreement, the qualified project period for the low income units is "the date which is 10 years after the date on which at least 50% of the dwelling units in the Development are first occupied." Based on this information, the 36 low income units could convert to market rate on June 1, 1997.

3. Risk of Conversion

The property owners have indicated that the project is a family investment and is likely to remain as a residential rental project for the foreseeable future. However, they are unable to say with surety whether the 36 low income units will remain affordable after June 1997.

4. Cost Analysis

According to Section 65583(a)(8)(B) the analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five year period and does not have to contain a project by project cost estimate.

A comparison between the market rent and the current rent is as follows:

<u>Unit</u>	<u>Size</u>	<u>Market Rent</u>	<u>Current Rent</u>
(2) Studios	462 sf	\$ 1,290	\$ 1,185
(18) 1 Bed/1 Ba	638-667 sf	\$13,500	\$12,110
(4) 2 Bed/1 Ba	857 sf	\$ 3,280	\$ 3,050
(12) 2 Bed/2 Ba	882-953 sf	\$10,555 \$28,625	\$ 9,540 \$25,885

The difference in income between the market rate units and the affordable units is \$2,740 per month. This would require a preservation subsidy of approximately \$32,880 per year.

Davidon Homes has estimated the cost, in 1994 dollars, of replacing the 36 affordable units. To construct a new, 27,379 square foot building, four stories over parking, with stucco exterior, the costs are estimated as follows:

Construction Costs

Hard Cost:	\$61.50/sf	\$1,683,808
Soft Cost:	\$14.00/sf	383,306
Site Improvements:	\$10.80/sf	295,693
Estimated Total:		\$2,362,807

Land Cost

Estimated cost (approx. 1 acre)	\$862,000
<u>Total Project Cost</u>	\$3,224,807
<u>Total Per Unit Cost</u>	\$89,578/unit

5. Acquisition and Management of Housing Developments

Section 65583(a)(8)(C) requires the identification of public and private nonprofit corporations known to the local government which have legal and managerial capacity to acquire and manage these housing developments.

The City is currently working with three non-profit agencies to manage the recently approved affordable housing projects: Community Housing Opportunities Corporation (formerly Davis Housing), Ecumenical Association for Housing (EAH), and Habitat for Humanity. It is unknown at this time whether any of these non-profit agencies would be willing to assist in the future with the acquisition and management of the 36 affordable units in the Four Seasons.

6. Financing and Subsidy Programs

Section 65583(a)(8)(D) requires an analysis of the use of all federal, state, and local financing and subsidy programs which can be used to preserve, for lower income households, the assisted housing developments including, but not limited to CDBG, tax increment funds, and administrative fees received by a housing authority operating within the community. The analysis shall identify the amounts of funds under each available program which have not been legally obligated for other purposes and which could be available for use in preserving assisted housing developments.

Assuming a continuation of existing financing sources, the City will continue to allocate a portion of its CDBG funds for affordable housing programs, and will continue to set aside approximately \$157,000 per year from its two redevelopment project areas over the next ten years.

The City will consider the following options to preserve units at risk of converting to market rates:

- (a) If financially feasible, the City may subsidize the difference between the affordable rate and the market rate, and contract with a non-profit housing agency or the Housing Authority to manage the units for a specified period of time.
- (b) If the project is to be sold, the City may request first right of refusal to purchase. This would give the City control of the facility for future sale or management purposes.
- (c) If financially feasible, the City may work with a non-profit housing agency to purchase the entire project and keep, at a minimum, the current affordability mix.
- (d) If financially feasible, the City could assist a non-profit housing agency with the purchase of another facility and relocate the tenants to affordable units within the new facility.

Additionally, the City will work with the Housing Authority to diligently pursue Section 8 certificates or vouchers to assist the tenants who wish to remain in their units.

EVALUATION OF 1986 HOUSING ELEMENT

Government Code Section 65588 requires that the Housing Element evaluate:

- The appropriateness of the housing goals, objectives and policies in contributing to the state housing goal.
- The effectiveness of the Housing Element in attainment of Walnut Creek's housing goals and objectives.
- The progress of the City in implementation of the 1986 Housing Element.

A. 1986 - 1990

Below are each of the policies and programs from the 1986 Housing Element followed by a discussion of actions taken to implement each program. The planning period covered by the 1986 Housing Element was 1986 - 1990.

POLICY: ENCOURAGE A MIX OF LAND USES IN THE DOWNTOWN CORE AREA TO INCREASE THE SUPPLY OF HOUSING.

PROGRAMS:

1. **Floor Area Incentives.** The City of Walnut Creek limits the bulk of commercial buildings in its two core area commercial districts (O-C and R-O) to three stories. This limit may be exceeded by the approval of a project as a planned development with a vote of the electorate. The City's Zoning Ordinance could allow for increased floor area as a ratio of lot area in exchange for inclusion of residential units as part of the project or on another site.

QUANTIFIED OBJECTIVE: Unknown until bonus determined.

DISCUSSION: In effect over the life of the previous plan was Measure H, described as a "citizen imposed constraint" in the previous housing element. Measure H prohibited commercial buildings over 10,000 square feet on a single parcel and housing projects over 30 units on a single parcel in the Core Area and over 10 units on a single parcel outside the Core Area until certain intersection standards were met.

There were several proposals on large parcels of land which could not be implemented because of the density limitations of Measure H. And there were projects approved which could have achieved a greater yield if not restricted to Measure H density limits. Housing was concentrated in those areas not constrained by Measure H limitations: infill development on small existing parcels, senior citizen housing, which is exempt from Measure H, and high density housing on small parcels in the Core Area.

Due to Measure H limitations, there were no proposals for units under this program. Consequently, this program has been eliminated in the revised Housing Element.

2. Residences Above Commercial Structures. One method of increasing housing supply is to encourage a mix of residential and commercial development, especially in the Core Area. This mix of land uses can be accomplished in a variety of ways. One approach is to designate which parcels may be developed for commercial or for residential uses. Second, an area might be designated for both commercial and residential use, and the market could then determine how the mix, if any, would occur. A third way of achieving this variety of uses is to allow a mixture of residential and commercial development on the same site.

QUANTIFIED OBJECTIVE: Unknown until study conducted.

DISCUSSION: Two projects were approved under this program. Tower Court, a mixed use retail/residential project in the Core Area was approved which provided 109 apartments over 13,000 square feet of ground floor retail. Diablo Court, a mixed use retail/residential project with 30 units above ground floor retail was also approved, but not constructed. This program was retained in the revised Housing Element.

3. Commercial/Retail Uses in Multifamily Structures. The Zoning Ordinance allows businesses and professional offices as a conditional use in the M-1 and M-1.5 multifamily districts. No provision is made for commercial or retail uses as ground floor accessory uses in residential structures. Ground floor commercial or retail uses in selected areas may increase the economic feasibility of residential multifamily projects and, therefore, stimulate additional housing development. When properly designed, these ground floor uses also act as a buffer to the residences above and create a sense of security and privacy for residents. Guidelines should be developed for inclusion in the Zoning Ordinance.

QUANTIFIED OBJECTIVE: Unknown until guidelines developed.

DISCUSSION: This program is similar to the previous program (two projects were approved as described above). Thus, this program was combined with the previous program in the revised Housing Element.

4. Specific Plans. It is possible to use the specific plan process to encourage housing development by addressing specific development and municipal facilities issues at the planning stage and thus save time at the project proposal stage. The City has already used the specific plan process in the Alma Avenue area bordered by California Boulevard, Olympic Boulevard, Alpine Road, and Botelho Drive. The plan has allowed a comprehensive approach to the consideration of development issues in this area.

The specific plan process may also be used to identify areas which are appropriate for development or redevelopment at higher residential densities, thus lending some logic and consistency to the planned development process. The City should continue to use the specific plan process in appropriate neighborhoods as a means of accomplishing planned residential development.

QUANTIFIED OBJECTIVE: Unknown until specific proposals developed.

DISCUSSION: Implementation of the Alma Avenue Specific Plan was begun with the approval of two apartment projects. Park Place Apartments, 148 units (including two moderate income units) was approved and constructed. Alpine Park, 91 units, was also approved and is currently under construction. A third project for 174 units is under review. This program has been retained.

5. **Secondary Residential Use of Institutional Sites.** There are several institutional sites, such as schools, hospitals and post offices, which could potentially accommodate residential development as a secondary reuse. The City should initiate a study to identify appropriate secondary uses for all institutional sites in the City.

QUANTIFIED OBJECTIVE: Unknown until feasible sites identified.

DISCUSSION: One such site is the former Del Valle High School site near Rossmoor where (in 1987) 37 condominiums, 300 congregate living units, 230 apartments and a 180 bed skilled nursing facility were approved for senior citizens. During the planning period, 37 condominiums and 300 congregate units were constructed. This program was retained in the revised Housing Element.

**POLICY: PROVIDE AN ADEQUATE SUPPLY OF
RESIDENTIALLY-ZONED LAND AT SUFFICIENT
DENSITIES TO ACCOMMODATE FUTURE HOUSING
DEVELOPMENT**

PROGRAMS:

1. **Annexation.** The annexation of vacant land is one method of increasing the City's supply of housing. To ensure a greater degree of consistency between annexed areas and existing development within the City, the City should, to the extent feasible, prezone areas to be annexed. In this way, the City can specify the property development standards (outlined in the Zoning Ordinance) and service requirements to be met by the annexed area. Annexation of land is also discussed in the Growth Limitation Subelement.

QUANTIFIED OBJECTIVE: 20 units.

DISCUSSION: During the planning period, the City annexed a total of 773 units. The quantified objective was exceeded by almost 40 times. Since the City is continuing to annex property, this program was retained.

2. Municipal Services. Coordinate the timing of housing development with local service district plans for plant expansion. To facilitate this process, the City will monitor the capacity of water and sewer systems and, should a constraint develop, will give priority to residential land uses over non-residential land uses.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: The local service districts have indicated that services are available for all undeveloped areas within the City. However, there are areas within the planning area which would either need to be annexed into a service district or would require expanding existing services. Municipal Services are discussed in more detail in the Growth Limitation Subelement. This program was retained in the revised Housing Element.

3. Rezoning. Study vacant land within the City to determine if any undeveloped land in non-residential districts is suitable for redesignation for residential uses or if land in residential districts is suitable for more intense use.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: One major parcel in the Core Area which was changed from commercial to residential use is the Kaiser parking site south of Newell Avenue. This vacant site could yield approximately 134 units if constructed with multiple family housing units. Another area previously designated commercial, which has been changed to a multifamily residential land use category, is the area south of Mt. Diablo Boulevard behind the general retail fronting Mt. Diablo, and west of Alpine Avenue. Redevelopment of this area would significantly increase the amount of multiple family housing units in the Core Area. This program was retained. With less demand for office development, more commercial areas are likely to be rezoned to residential use.

POLICY: COOPERATE WITH ALL LEVELS OF GOVERNMENT AND PRIVATE INDUSTRY IN PURSUING EFFORTS TO PROVIDE BELOW-MARKET-RATE FINANCING FOR NEW RESIDENTIAL DEVELOPMENT.

PROGRAMS:

1. Submit an application to the State Mortgage Bond Allocation Committee for mortgage revenue bond funds to qualified moderate- and middle-income homebuyers.

QUANTIFIED OBJECTIVE: 100 units, including 10 low and moderate income units.

DISCUSSION: The City entered into a cooperative agreement to participate in the Contra Costa County Single Family Mortgage Revenue Bond Program for first time home buyers. For the years 1988-89, 52 units at the Keys were purchased under this program. To qualify, applicant's incomes could not exceed 100% of the County's median income. The average cost of the units was \$91,359; 34 were one bedroom, 18 were two bedroom. Seventy nine percent (79%) were sold to single member households, 15% to two member households, and 6% to families with more than three people.

Although no loans have been made under this program since 1989, the City will renew its cooperative agreement with the County, which administers the program, so that financing can be made available for eligible projects in Walnut Creek.

If feasible, the City will apply to the California Mortgage Bond and Tax Credit Allocation Committee for authority to issue certificates. However, there has been less interest in the private sector for this program since the federal guidelines were amended and the rents that can be charged were reduced from 80% to 50% of median income.

2. Provide information to local developers and sponsors on available state and federal financing programs for rental and single-family housing construction.

QUANTIFIED OBJECTIVE: 100 units (Alma Avenue), including 10 low and moderate income units.

DISCUSSION: The City sends letters to all developers who have expressed an interest in residential construction in Walnut Creek; holds informational meetings for those who wish to participate in any of the programs; refers requests to appropriate County, State and nonprofit agencies; and announces the availability of these programs in the Nutshell, the City's newsletter. This program was retained.

3. Provide information to local non-profit housing organizations on California Home Financing Agency's (CHFA) Self-Help Housing Program.

QUANTIFIED OBJECTIVE: 10 low and moderate income units.

DISCUSSION: The City provides information to non-profit organizations regarding this program. However, no projects were implemented under this program during the planning period. This program was retained.

4. Continue the utilization of Industrial Development Bond financing in appropriate multifamily rental construction projects. Twenty percent of these units would be targeted to low and moderate income households.

QUANTIFIED OBJECTIVE: 100 units (Alma Avenue), including 10 low and moderate income units.

DISCUSSION: During the planning period, there were no units constructed under this program. If financing becomes available for the Multiple Family Mortgage Revenue bond program, the City will develop a program and participate. There has been less interest in this program by the private sector since the federal program guidelines were amended and the rents that could be charged were reduced to 50% of the median income. More interest was expressed in the program when the guidelines permitted rents up to 80% of median income.

5. Apply for California Homeownership Assistance program funds to provide financial assistance for condominium conversions.

QUANTIFIED OBJECTIVE: 6 low and moderate income units.

DISCUSSION: The City did not apply for any funding under this program. This program was eliminated in the revised Housing Element.

6. Conclude efforts to develop 80 units of senior citizen/handicapped housing on the City-owned La Casa Via site.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: Casa Montego, a HUD 202 project, was completed in 1989 and it is being successfully operated by Satellite Senior Homes. The program was eliminated in the revised Housing Element because it has been accomplished.

7. Implement the City's Equity Participation Program (similar to CHAP) as funds become available through the sale of converted condominium units. Under this program, 3% of the purchase price would be contributed to a City fund to provide loans to eligible condominium buyers.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: No funds were collected under this program because there were no condominium conversions during the planning period. This program has been eliminated.

POLICY: SHOULD THE CITY BECOME INVOLVED IN FUTURE REDEVELOPMENT, IT WILL APPLY 20% OF THE RESULTING TAX-INCREMENT FUNDS TO LOW AND MODERATE INCOME HOUSING.

PROGRAM:

1. Redevelopment Tax Increment Funds. Under the requirements of California Redevelopment Law, as provided in Section 3334.2 of the Health & Safety Code, 20% of the tax increment funds from merged, amended, or newly created redevelopment areas utilizing tax increment financing must be set aside for housing purposes for low and moderate income households. These funds may be used for a

variety of purposes such as land or building acquisition, construction financing, subsidies, land improvements, development of plans and paying the principal or interest on bonds and loans. Cities could apply for exemptions from these requirements as Walnut Creek did. By 1996, however, all exemptions expire and cities must set aside and spend those funds for housing.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: Beginning in 1990, funds were set aside from the two redevelopment areas to establish the Affordable Housing Fund. The funds have been used to assist with land acquisition and the payment of development fees for two affordable housing units in an eight unit single family housing project located outside of the redevelopment area (i.e., the redevelopment area is entirely commercial).

POLICY: CONTINUE TO ALLOW MOBILE AND MANUFACTURED HOUSING ON SINGLE-FAMILY LOTS.

PROGRAM:

1. Continue to evaluate and approve mobile and manufactured housing proposals based on criteria established by the Walnut Creek Design Review Commission.

QUANTIFIED OBJECTIVE: 10 low and moderate income units.

DISCUSSION: No applications were received for manufactured housing during the planning period. The program was retained.

POLICY: MINIMIZE GOVERNMENT-RELATED CONSTRAINTS ON THE PRODUCTION OF HOUSING.

PROGRAMS:

1. Continue to give development review priority to affordable housing projects.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: During the planning period, the City gave development review priority to the 80 unit Casa Montego project. The program was retained.

2. Fund traffic mitigation fees for affordable housing units in the core area.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: The City waived the planning processing fees for the Casa Montego project. This program was revised to apply City-wide.

POLICY: SUPPORT EFFORTS TO PROVIDE TEMPORARY SHELTER FOR HOMELESS PERSONS.

PROGRAMS:

1. Assist local non-profit organizations who apply for state grant funds to ensure their application is competitive. The City will also consider allocating a portion of its CDBG funds in support of these organizations' efforts.

QUANTIFIED OBJECTIVE: One shelter (if need determined).

DISCUSSION: During the planning period, the City provided funding for one year from City's general fund for a homeless shelter, three years from CDBG funds for homeless assistance, and for one year provided a shelter in the Sieman's Medical Lab site. In 1987 the City donated \$15,000 from the General Fund to the City of Richmond for its homeless shelter. Commencing in 1987, the City has been providing funding to Shelter, Inc. to administer homeless assistance programs. In 1990, the City hosted one of the County's three homeless shelters in the Sieman's Medical Lab site for six months (the City provided \$40,000 in funds to renovate the building). This facility provided shelter to a total of 700 homeless persons throughout the County. Of this total, 25 homeless persons were from Walnut Creek (according to Shelter Inc.).

Currently, the temporary shelter needs of homeless in Walnut Creek appear to be satisfied. However, the City will make efforts to facilitate the development of additional temporary and permanent shelters and transition housing programs and facilities, as described in the updated Housing Element.

2. Conduct a survey to identify sites within the City suitable for the eventual placement of emergency shelter facilities.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: The survey was not conducted. This program has been amended in the revised Housing Element to include transitional housing. The Zoning Ordinance is being amended and will identify districts where homeless shelters and transitional housing will be a permitted use.

3. Amend the Zoning Ordinance to reflect in which zoning districts emergency shelters are specifically allowed uses.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: See the discussion under the previous program.

4. Periodically monitor the needs of the homeless in the Walnut Creek area. At a minimum, this activity would be accomplished through the housing element revision process which requires an analysis of those needs.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: The needs of the homeless were evaluated in 1989 during the revision of the Housing Element and new programs were developed to respond to those needs.

**POLICY: ENCOURAGE THE DEVELOPMENT OF HOUSING
ACCESSIBLE TO PHYSICALLY HANDICAPPED PERSONS.**

PROGRAM:

1. Adopt the State Handicapped Accessibility and Adaptability Standards or develop and adopt local standards which reasonably replicate the state standards.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: The City adopted the State Handicapped Accessibility and Adaptability Standards and requires all new construction to meet the handicap requirements.

**POLICY: CONTINUE TO ALLOW THE DEVELOPMENT OF SECOND
RESIDENTIAL UNITS IN SINGLE-FAMILY DISTRICTS IN
ACCORDANCE WITH CITY ADOPTED GUIDELINES.**

PROGRAM:

1. A second unit ordinance was adopted in December, 1983.

QUANTIFIED OBJECTIVE: 20 low and moderate income units.

DISCUSSION: Thirteen of the 20 projected second family units were constructed during the planning period. Due to its size, the rent charged for a second unit is less than the market rate rent for a one bedroom apartment and is therefore considered an affordable unit. There is no need to modify the Second Unit Ordinance.

**POLICY: CONTINUE TO PROVIDE INFORMATION TO SENIOR
CITIZENS REGARDING AVAILABLE SENIOR HOUSING
PROGRAMS AND OPPORTUNITIES.**

PROGRAM:

1. Continue to work with nonprofit organizations who provide counseling to senior citizens throughout the City, including Rossmoor, on the Reverse Annuity Mortgage program and other applicable housing opportunities for senior citizens.

QUANTIFIED OBJECTIVE: 10 low- and moderate-income units.

DISCUSSION: The City continues to work with and provide funding to non-profit organizations, such as Eden Council for Hope and Opportunity (ECHO) that provide counseling to senior citizens throughout the City, including Rossmoor, on the Reverse Annuity Mortgage Program and other applicable housing opportunities for senior citizens. This program was retained.

POLICY: CONTINUE TO ENCOURAGE MAXIMUM PARTICIPATION IN SECTION 8 OF THE 1974 HOUSING AND COMMUNITY DEVELOPMENT ACT TO PROVIDE HOUSING OPPORTUNITIES FOR LOW- AND MODERATE-INCOME HOUSEHOLDS.

PROGRAMS:

1. The City will continue to provide apartment owners and managers with information on the Section 8 program.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: The City continues to provide information to apartment owners and managers. This program was retained.

2. Continue to coordinate with the Contra Costa County Housing Authority to ensure full use of the Section 8 program in Walnut Creek.

QUANTIFIED OBJECTIVE: 40 low and moderate income units (existing).

DISCUSSION: Nine (9) additional Section 8 existing certificates were issued during the planning period. The City will continue to support the efforts of the Contra Costa County Housing Authority to obtain additional Section 8 certificates and vouchers, and to ensure full use of the Section 8 Rental Assistance Payments Program in Walnut Creek.

POLICY: PROMOTE FAIR HOUSING OPPORTUNITIES

PROGRAM:

1. Allocate a portion of the City's CDBG funds to appropriate organizations in support of efforts to minimize housing discrimination and promote fair housing.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: The City continues to participate in and provide administrative support to the local Community Housing Resource Board; to publicize information on fair market housing laws, and state and federal anti-discrimination laws; and to allocate a portion of its CDBG funds to appropriate organizations in support of efforts to minimize housing discrimination and promote fair housing.

POLICY: CONTINUE TO PROVIDE DENSITY BONUSES TO DEVELOPERS WHO PROVIDE UNITS AFFORDABLE TO LOW AND MODERATE INCOME HOUSEHOLDS OR DESIGNED TO ACCOMMODATE SENIOR CITIZENS OR DISABLED PERSONS.

PROGRAMS:

1. Amend the Zoning Ordinance to include fully equipped handicapped housing as a housing type eligible for density bonuses in multi-family districts.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: The Walnut Creek Zoning Ordinance currently allows an undefined density bonus for the provision of low and moderate income housing and senior citizen housing in multifamily districts. The ordinance will be revised for consistency with State law requirements.

2. Include in the Zoning Ordinance specific guidelines regarding density bonuses allowed for the provision of handicapped access, senior citizen, or low and moderate income housing in multifamily zones.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: This was not accomplished during the planning period. The City will include specific guidelines for density bonuses in the Zoning Ordinance.

POLICY: WORK WITH PRIVATE HOUSING DEVELOPERS TO PROVIDE A PERCENTAGE OF UNITS IN NEW HOUSING PROJECTS WHICH ARE AFFORDABLE TO LOW AND MODERATE INCOME HOUSEHOLDS.

PROGRAM:

1. The City will expect low and moderate income units to be provided in private housing developments under certain circumstances.

QUANTIFIED OBJECTIVE: 75 low and moderate income units.

DISCUSSION: The City did not require any inclusionary units during the planning period. The City will consider adopting an inclusionary zoning ordinance for projects of a certain size to ensure the provision of some affordable housing units.

POLICY: CONTINUE TO PROVIDE, WHEN NECESSARY, FINANCIAL ASSISTANCE USING CDBG FUNDS TO LOW AND MODERATE INCOME HOUSEHOLDS FOR HOUSING REHABILITATION AND MAINTENANCE.

PROGRAM:

1. Participate in multifamily rehabilitation programs. Should such a program be feasible, the City will consider allocating a portion of its CDBG funds to the Contra Costa County Housing Authority for administration expenses.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: A Code Enforcement Officer was hired in April 1987 and conducted a survey of apartment buildings through May 1988. A total of 271 buildings, containing 1,089 units were inspected. Over 600 violations were noted and almost all repairs were remedied. A total of \$2.8 million in private funds were spent on repairing and improving the multiple family housing stock. The City will continue to investigate complaints about Building and Housing Code violations in single and multifamily rental housing and will take the necessary action to correct the violations.

To encourage the upkeep of multiple family housing units in safe condition, the City will pursue funding for multiple family housing rehabilitation programs for qualified participants. Should such a program become available, the City will consider allocating a portion of its CDBG funds, or other sources of funds, to agencies administering these programs.

POLICY: CONTINUE CODE ENFORCEMENT EFFORTS IN SINGLE FAMILY AND MULTIFAMILY RENTAL HOUSING IN RESPONSE TO FILED COMPLAINTS.

PROGRAMS:

1. Continue to follow-up on complaints and conduct inspections.

QUANTIFIED OBJECTIVE: 15 single family units including low and moderate income units.

DISCUSSION: See discussion above under the previous program.

2. Fund an apartment inspection program in 1986-87 with Community Development Block Grant funds.

QUANTIFIED OBJECTIVE: 100 multifamily units including 50 low and moderate income units.

DISCUSSION: See discussion above under previous program.

POLICY: CONTINUE TO REGULATE CONDOMINIUM CONVERSION TO MITIGATE IMPACTS ON THE EXISTING SUPPLY OF RENTAL HOUSING.

PROGRAM:

1. Continue to enforce Article 7 of the Walnut Creek Subdivision Ordinance pertaining to condominium conversion.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: During the planning period, the City did not receive any applications for condominium conversions. This program was retained in the revised Housing Element.

POLICY: ENCOURAGE THE INCORPORATION OF ENERGY CONSERVATION DESIGN FEATURES IN EXISTING AND FUTURE RESIDENTIAL DEVELOPMENT.

PROGRAMS:

1. Continue to enforce the State Energy Conservation Standards for new residential construction and additions to existing structures.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: The City continues to enforce the State Energy Conservation Standards.

2. Continue to encourage the design of subdivisions which take advantage of solar heating and cooling opportunities, if feasible.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: During the design review process, the City encourages energy conservation through solar heating and cooling.

POLICY: ENCOURAGE THE PROVISION OF SENIOR CITIZEN HOUSING.

QUANTIFIED OBJECTIVE: 500 units including 60 low and moderate income units.

DISCUSSION: During the planning period, a total of 573 senior housing units were constructed, including 116 low and moderate income units (i.e., 36 units in Kensington Place and 80 Section 8 units in Casa Montego). The senior units constructed include 313 units in Rossmoor, 80 units in Casa Montego and 180 units in Kensington Place. In a recent review of senior housing needs, it was shown that, with Rossmoor, there is an adequate supply of market rate housing units for independent seniors. Thus, this program was modified in the revised Housing Element to balance senior housing needs against other housing needs in the community.

PROGRAMS:

1. Revise the City's Zoning Ordinance to establish an appropriate measure of density and other development standards for Senior Citizen Congregate housing.

DISCUSSION: During the Planning period, the Zoning Ordinance was not revised to establish an appropriate measure of density and other standards for congregate housing. This will be accomplished in the programs contained in the revised Housing Element.

2. Identify sites appropriate for congregate housing.

QUANTIFIED OBJECTIVE: N/A.

DISCUSSION: During the planning period, a survey was not conducted to identify sites for congregate housing. In the revised Housing Element, congregate housing will be permitted in all multifamily zones and in commercial districts with a Conditional Use Permit.

POLICY: CONTINUE TO IMPLEMENT THE ALMA AVENUE SPECIFIC PLAN.

PROGRAM:

1. The first project for high density apartment units has been approved in the Specific Plan Area. The City will continue to work with private developers to allow the densities permitted in the Specific Plan to be achieved.

QUANTIFIED OBJECTIVE: 300 units.

DISCUSSION: See the discussion above under Specific Plans.

POLICY: CONTINUE TO ENCOURAGE HOUSING IN THE GOLDEN TRIANGLE, SPECIFICALLY IN THE AREA BOUNDED BY HIGHWAY 680, PARKSIDE DRIVE, MAIN STREET AND CALIFORNIA BOULEVARD AND RIVIERA AVENUE.

PROGRAM:

1. The City has an established policy of requiring housing in the Walnut Creek BART Station area. The City will work with private developers to assure that this requirement can be met.

QUANTIFIED OBJECTIVE: 150 units.

DISCUSSION: None of the housing units around the Walnut Creek BART station in the Golden Triangle have been constructed. The policy did not specify when the units had to be constructed. In the revised Housing Element, these residential units are exempt from the traffic standards in the Growth Limitation Plan and will be encouraged to be constructed.

POLICY: CONTINUE TO PROCESS APPLICATIONS FOR HOUSING OUTSIDE THE ALMA AVENUE AREA AND THE GOLDEN TRIANGLE WHICH ARE CONSISTENT WITH THE GENERAL PLAN, THE ZONING, AND THE TRAFFIC CONTROL INITIATIVE.

PROGRAM:

1. There are sites in Walnut Creek which are designated as residential on the General Plan, which are zoned for residential use, and which due to the size of the site, are not further limited by the Traffic Control Initiative. The City will continue to process applications which are consistent with all City policies.

QUANTIFIED OBJECTIVE: 575 units.

DISCUSSION: During the planning period, a total of 2,249 units were produced within the City including 1,330 single family units and 919 multifamily units. Of these units, 1,722 were new construction and 614 were annexations (there were also 87 demolitions). The 1986 Housing Element projected that 1,665 new units would be added to the City's housing stock by 1990. Of the housing units constructed and issued occupancy permits, 38 were designated as low and moderate income units (75 affordable units in new housing were projected). These were included in the Walnut Square Senior Housing project in exchange for a density bonus.

B. 1990 - 1992

In the summer of 1990 the City hired a consultant to review the Housing Element, prepare a housing strategy, and set priorities for the City's housing policies and programs. In October 1990 the consultant's report was published with the following recommendations.

1. Site Identification and Control

In addition to the policies listed in the Housing Element, the City should identify a site suitable for the development of a small multifamily rental development and possibly another for a first-time homebuyer project and obtain site control. The goal should be to have at least one site purchased or under option by June 30, 1991.

DISCUSSION: The City has purchased a surplus site from Caltrans for the development of four townhouse units for first-time homebuyers.

2. Financial Resource Development

There are two resources potentially available to Walnut Creek that could be used to further the City's housing efforts: Community Development Block Grant (CDBG) and 20% Redevelopment set-aside. The City should also take advantage of Federal and State resources, when available, particularly the State's Deferred Payment Rehabilitation Loan Program to re-establish a citywide housing rehabilitation program.

DISCUSSION: An Affordable Housing Fund has been established. The City now sets aside a portion of its annual CDBG allocation for housing programs. Set-aside money is also being collected from the City's two Redevelopment areas. With some of this funding the City has been able to assist a developer with land acquisition and the payment of fees for two affordable housing units in an 8-unit single family home, infill project.

3. **Regulatory Incentives and Powers**

The consultant recommended that the City create a linkage program which requires payment of a fee for affordable housing based on an established standard. It was also suggested that the City carefully evaluate an inclusionary zoning program.

DISCUSSION: Staff has not yet conducted the studies to amend the Zoning Ordinance.

4. **Capacity Building**

The consultant recommended that the City commit adequate staff resources to facilitate housing programs. It was also recommended that the City consider strengthening the capacity of non profit organizations such as Habitat for Humanity and reviving the Diablo Valley Housing Corporation.

DISCUSSION: In July 1991 the City hired a Housing Specialist whose job it is to administer the community development block grant programs and housing implementation programs. The housing specialist is located in the Community Development Department and works closely with the Planning Division.

The Housing Specialist identified nine housing policies which the Council adopted. These policies have been incorporated in the Housing Element and the Growth Limitation Program.

The City has been holding discussions with Habitat for Humanity regarding affordable housing opportunities. To date, one project has been identified.

C. SUMMARY

Overall, the goals and policies contained in the previous Housing Element were appropriate to meet the housing needs of the City. The 1986 Housing Element contained 4 goals, 19 policies, and 24 objectives. The revised Housing Element contains 4 goals, 28 policies, and 71 programs. Numerous changes and additions have been incorporated into the revised Element to reflect what was learned from the review of the previous Element and to respond to the updated needs analysis. These changes, detailed earlier in the document, include:

- Developing a list of specific sites suitable for affordable housing.
- Developing homeownership programs for low income, first-time, homebuyers.
- Encouraging the inclusion of affordable housing units in market rate housing projects.

- Streamlining and expediting the development review process for affordable housing projects by appointing a subcommittee (one representative from the Design Review Commission and one representative from the Planning Commission) to review and provide input at the time of an initial application.
- Contributing funds towards the Central Contra Costa County permanent homeless shelter located in Concord.
- Coordinating with the County and other entitlement cities to address the housing and social service needs of the homeless in Contra Costa County.
- Providing appropriate funds to agencies which provide services and permanent affordable housing for people with disabilities, if funding is available.
- Exempting housing projects which include a specified affordability mix from the traffic standards, consistent with the Growth Limitation Plan.
- Working with the owners of housing projects that are at risk of converting to market rate rents within 10 years and developing a program for long term preservation of these units.
- Identifying CDBG and/or other sources of funding to assist with the purchase of land for affordable housing projects.
- Encouraging innovative housing approaches in the design of units to encourage more affordable housing.
- Subsidizing development fees for construction of low and moderate income housing units.
- Encouraging the development of residential care and skilled nursing facilities for senior citizens.
- Amending the zoning code to require new residential projects involving demolition of single family homes which are affordable to low and moderate income households to include an equivalent number of equally priced housing units in any new development.
- Encouraging density bonus units.
- Developing a program to provide low interest loans for single family low and moderate income housing rehabilitation.
- Encouraging the relocation of homes scheduled for demolition for any public improvement project.
- Supporting a regional approach to solving housing problems with continued support for the efforts of the Contra Costa County Housing Authority and its goal of increasing the supply of affordable housing in the County.

ANNUAL REVIEW AND UPDATE

Government Code Section 65400 requires that the annual report to the local government's legislative body on the general plan status and its implementation be submitted to HCD. This report's assessment of implementation of housing element programs is to report progress in meeting its share of regional housing needs by income category.

Staff shall prepare a report each June for the Planning Commission and City Council, which includes the following information:

- A. The number of housing units constructed the previous year and a description of the type of units, their locations, and their affordability.
- B. A review of residential projects approved, but not constructed.
- C. A review of current applications being processed, but not approved.
- D. A review of affordable housing programs.
- E. The Federal income limits published by HUD each year.
- F. The annual population as estimated by the State Dept. of Finance.
- G. Review of Housing Element goals and policies.
- H. Review of Housing Element quantified objectives.

APPENDIX

Table 3-21
HUD 1993 Family Income Limits by Family Size

Family Size	Median Family Income	Very Low Income	Low Income	Moderate Income
1	36,700	18,350	27,800	44,050
2	41,900	20,950	31,750	50,300
3	47,150	23,600	35,750	56,600
4	52,400	26,200	39,700	62,900
5	56,600	28,300	42,900	67,950
6	60,800	30,400	46,050	72,950
7	65,000	32,500	49,250	78,000
8+	69,150	34,600	52,400	83,050

Table 3-22
Affordable Housing in Walnut Creek (1993)

AFFORDABLE RENTAL UNITS¹⁶

	<u>1 Bedroom</u> (1 person)	<u>2 Bedroom</u> (2 persons)	<u>3 Bedroom</u> (4 persons)
Moderate	\$1101	\$1258	\$1573
Low	\$ 695	\$ 794	\$ 993
Very Low	\$ 458	\$ 524	\$ 655

AFFORDABLE HOMEOWNERSHIP UNITS

Income ¹⁷ (% of Median)	Housing Expense (30% of income)	Down- Payment	7.5% Int.	8.5% Int.	10% Int.
Moderate (100-120%) \$52,401-\$62,900	\$1310-\$1572	5% 10%	\$154,000 \$162,000	\$142,000 \$150,000	\$128,000 \$135,000
Median (80-100%) \$39,701-\$52,400	\$993-\$1310	5% 10%	\$117,000 \$124,000	\$109,000 \$115,000	\$98,000 \$103,500
Low (70-80%) \$34,738-\$39,700	\$868-\$993	5% 10%	\$102,500 \$108,500	\$95,000 \$100,500	\$85,000 \$90,500
Very Low (50-70%) \$26,200-\$34,737	\$655-\$868	5% 10%	\$77,500 \$82,000	\$71,500 \$76,000	\$64,500 \$68,500

¹⁶ Assuming 30% of gross income for housing costs - rent plus utilities

¹⁷ Income based on 4 persons household size. For 3 persons household size the home price would drop by approximately 10%

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